



Summary of

**The Governor's Proposed
2024–26 Budget**

Introduced as HB 30/SB 30

January 16, 2024

Prepared by the staff of the:

**SENATE FINANCE & APPROPRIATIONS
COMMITTEE**

Introduction

This document was prepared by the staff of the Senate Finance & Appropriations Committee as a summary of the Governor's Proposed Budget for the 2024-26 biennium, introduced as HB 30/SB 30 in the 2024 Session.

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Overview of Proposed Amendments to the 2024-26 Budget

The proposed budget for 2024-26 proposes a net increase of almost \$3.1 billion GF operating expenditures above the current base budget, plus \$916.6 million in GF cash funding for capital outlay. Approximately \$10.5 billion in additional resources in FY 2025 and FY 2026 are available for appropriation, including an assumed carryforward of \$2.3 billion from FY 2024. In addition, adjustments to the FY 2024 base budget provide additional spending capacity of \$3.2 billion each year, respectively, because FY 2024 appropriations in Chapter 1 of the 2023 Acts of Assembly, Special Session I, contained one-time expenditures. The introduced budget for the 2022-24 biennium assumes an unappropriated balance of \$8.7 million at the close of the biennium.

General Fund Resources Available for Appropriation			
(\$ in millions)			
	FY 2025	FY 2026	Biennium
Ch.1 Base GF Revenue and Transfers	\$26,239.5	\$26,239.5	\$52,479.0
Economic GF Forecast Adjustments	2,162.6	3,866.6	6,029.2
Net Assumed Tax Policy Actions	(410.5)	(589.0)	(999.5)
FY 2024 Carryforward Balance	2,353.8	0.0	2,353.8
Adjustments to Balance	(0.5)	(0.5)	(1.0)
Transfer: Revenue Reserve Fund	712.2	92.8	805.0
Transfer Adjustments	<u>1,161.6</u>	<u>1,110.2</u>	<u>2,271.8</u>
Total GF Resources Available for Appropriation	\$32,218.7	\$30,719.6	\$62,938.3
Ch.1 Base Budget, Adjusted Base by SFAC	\$29,527.8	\$29,401.6	\$58,929.4
Proposed Operating Spending	1,773.7	1,309.9	3,083.6
Proposed Capital Outlay Spending	<u>916.6</u>	<u>0.0</u>	<u>916.6</u>
Total Appropriations	\$32,218.1	\$30,711.5	\$62,929.6
Unappropriated Balance	\$0.6	\$8.1	\$8.7

Revenue. HB/SB 30, as introduced, provides \$62.9 billion in general fund resources available for appropriation. It assumes a FY 2024 carryforward balance of \$2.3 billion from a \$1.4 billion revenue forecast adjustment in FY 2024, positive net transfer adjustment of \$79.4 million from the ABC profit transfer and reversions from the 2023 Individual Income Tax Rebate Fund, reversion of discretionary FY 2023 appropriation balances, and a net spending reduction of \$392.5 million in FY 2024 as proposed in HB/SB 29.

The 2024-26 general fund revenue forecast, as introduced, assumes revenue growth of 1.4 percent in FY 2025 and 5.4 percent in FY 2026, after accounting for a biennial net general fund reduction of \$999.5 million from assumed tax policy actions. Excluding assumed tax policy actions, general fund revenue is projected to grow 3.0 percent in FY 2025 and 6.0 percent in FY 2026. Embedded in the forecast is the consensus outlook that the United States will enter a mild recession beginning in the fourth quarter of FY 2024 and last through the second quarter of FY 2025. Virginia will slightly overperform the nation based on our tendency to lag the U.S. in expansionary and contractionary periods. Virginia employment is anticipated to decline 0.1 percent in FY 2025, and then rebound with 2.5 percent growth in FY 2026 compared to a 0.4 percent decline and 2.1 percent increase, respectively, for the United States.

The following table details the assumed tax policy actions in HB/SB 30. The largest two proposals include a \$3.5 billion reduction to cut each individual income tax rate by 12.0 percent and \$2.5 billion increase from increasing the state sales tax rate by 90 basis points and expanding the sales tax base to include digital services and digital downloads. On net, assumed tax policy actions reduce revenue \$999.5 million over the biennium.

General Fund Impact of Proposed Tax Policy Actions
(\$ in millions)

	FY 2025	FY 2026	Biennium
Reduce Individual Income Tax Rates by 12.0 percent	(\$1,118.9)	(\$2,339.8)	(\$3,458.7)
Increase State Sales and Use Tax 90 basis points	520.1	1,299.3	1,819.4
Expand State Sales and Use Tax to Digital Downloads and Services	203.3	510.7	714.0
Double Dealer Discount for Sales and Use Tax	(10.2)	(25.2)	(35.2)
Increase nonrefundable Earned Income Tax Credit from 20 to 25 percent	0.0	(29.0)	(29.0)
Increase Education Improvement Scholarship Tax Credit Cap to \$30 million	<u>(5.0)</u>	<u>(5.0)</u>	<u>(10.0)</u>
Total	(\$410.5)	(\$589.0)	(\$999.5)

*May not sum due to rounding.

Transfers. HB/SB 30 includes net transfer adjustments of \$3.1 billion above the transfers in Chapter 1, 2023 Acts of Assembly, Special Session I. It includes the customary transfers from the ABC profit transfer and sales tax transferred from the Local Real Estate/Standard of Quality Fund for public education. The introduced budget also proposes to transfer \$805.0 million over the biennium from the Revenue Reserve Fund to the general fund to align the combined balance of Revenue Stabilization and Revenue Reserve Funds to the 15 percent limitation. This transfer action is executed rather than proposing language to extend the temporary extension of the combined balance limit in Chapter 1, 2023 Acts of Assembly, Special Session I.

Appropriations. The net general fund spending proposed in HB/SB 30 totals \$4,000.2 million and would leave an unappropriated balance of \$8.7 million at the close of FY 2026. Major general fund spending items include:

- \$1,222.9 million to fully fund the projected costs of the Medicaid program, including the revenue shortfall in the Health Care Fund;
- \$916.6 million for capital outlay projects;
- \$534.9 million for K-12 benchmarking, teacher retirement liabilities, sales tax update, reading specialists, college lab schools, and a one percent bonus in the first year;

- \$412.1 million to continue funding the childcare subsidy program, previously supported with federal funding;
- \$150.3 million to add 3,440 developmental disability waiver slots;
- \$138.1 for the discretionary deposit to the Water Quality Improvement Fund;
- \$122.8 million for a Two Percent Salary Increase for K-12
- \$109.0 million for a bonus each year for state and state supported local employees; and
- \$106.3 million for state health insurance premiums.

Major operating spending and savings items are detailed in the table below.

Major Operating Budget Spending and Savings in HB / SB 30, as Introduced	
(General Fund \$ in Millions)	
	FY 2024-26 Biennium
Major Spending	
Medicaid: Utilization and Inflation	\$714.0
Medicaid: Health Care Fund	508.9
DOE: Childcare Subsidy Program	412.1
K-12: Rebenchmarking	160.6
Medicaid: Add 3,440 Developmental Disability Waiver Slots	150.3
State Agency Information Technology Funding	150.0
DCR: Water Quality Improvement Fund Deposit	138.1
K-12: Two Percent Salary Increase (Second Year) for Teachers and Support Positions	122.8
K-12: Reduce Unfunded Liabilities of Teacher Retirement Plan	115.0
State and State-supported Local Employees Bonus (Each Year)	109.0
State Employee Health Insurance Premium Costs	106.3
Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network	100.0
Virginia Community Flood Preparedness Fund	100.0
Children’s Services Act Forecast	97.1
K-12: Sales Tax Update	85.7
Treasury Board: Debt Service	83.7
Norfolk Coastal Storm Risk Management Project	73.9
Interstate 81 Corridor Project	70.0
K-12: Reading Specialists	61.2
K-12: College Partnership Laboratory Schools	60.0

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

(General Fund \$ in Millions)

	FY 2024-26 Biennium
State and State-supported Local Employees One Percent Salary Increase (Second Year)	59.6
K-12: One Percent Bonus the First Year for SOQ Instruction and Support Positions	53.0
SCC: Commonwealth Health Reinsurance Program	52.0
DEQ: Richmond Combined Sewer Overflow	50.0
DMAS: Family Access to Medical Insurance Security (FAMIS) Utilization and Inflation	47.0
DOC: Transition Lawrenceville Correctional Center to State Management	42.9
K-12: Support Attainment of Industry Credentials through Diploma Plus Grants	40.0
K-12: New State Assessment System	40.0
DBHDS: Improve Food Services, Environmental Services, and Clinical Services Salaries	39.8
EVMS: Eastern Virginia Health Sciences Center Merger	37.0
DBHDS: Crisis Services	35.6
DEQ: Bristol Landfill Remediation	35.0
DHR: Capital Grant Program to Celebrate the Country's Semiquincentennial	35.0
DVS: Start-up Costs for Veterans Care Centers	30.5
K-12: Career and Technical Education Data Update	26.1
DHCD: Early Learning Capital Incentive Program	25.0
DCR: Resilient Virginia Revolving Loan Fund	25.0
VDOT: Transportation Partnership Opportunity Fund	20.0
American Revolution 250 Commission Operations	20.0
SCHEV: Innovative Internship Fund and Program	20.0
DOC: Career Progression Program for Correctional Officers	18.9
DCJS: Law Enforcement Recruitment and Wellness Program	18.0
DSS: Relative Maintenance Payments and Kinship and Alternative Living Arrangements	16.0
Workforce Recruitment Program	15.0
DSS: Supplant TANF Grant Funding	15.0
K-12: Student Access to Mental Health Services	14.4
DSS: Income Verification for Public Benefits Contract	11.9
VDH: Behavioral Health Loan Repayment Program	10.0
DBHDS: Hospital-based Psychiatric Emergency Alternatives	10.0
DBHDS: Mobile Crisis Teams	10.0
EDIP: Inland Port	10.0
Other Spending Items	<u>383.8</u>
Total Spending	\$4,684.8

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

(General Fund \$ in Millions)

**FY 2024-26
Biennium**

Major Savings

K-12: Literary Fund Support for School Employee Retirement Contributions	(\$300.0)
K-12: Eliminate Supplemental Payment in Lieu of Sales Tax on Food and Hygiene Products	(229.0)
K-12: Reduced Rate for Teacher Retirement	(119.6)
DOC: Closure of Sussex II and Agusta Correctional Facilities	(108.0)
K-12: Redirect VA Preschool Initiative and Early Childhood Expansion Nonparticipation Funds	(106.7)
K-12: Enrollment Update	(87.8)
DHCD: Virginia Telecommunication Initiative	(79.5)
K-12: Sales Tax Update	(63.1)
K-12: Composite Index update	(61.3)
Compensation Board: Jail Per Diem Payments and Closure of Hampton Road Reg. Jail	(58.5)
SCHEV: Pell Grant Initiative	(37.5)
DHCD: Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Industry Cluster	(36.0)
K-12: Update Lottery-supported Programs, Incentive Programs, ESL Enrollment	(34.7)
K-12: Update Inflation for Non-personal Costs	(33.2)
EDIP: Adjust Grant Funding	(16.1)
Medicaid Children’s Health Insurance Program Utilization and Inflation	(15.7)
State Employee Retirement Costs	(15.2)
DSS: Foster Care Prevention Services Funding	(10.0)
Other Saving Items	(189.1)
Total Savings	(\$1,601.2)
Net Operating Spending	\$3,083.6

Chapter 1 Appropriations. HB/SB 30 reflects the continuation of funding provided in Chapter 1, 2023 Special Session I, Acts of Assembly, which was adopted in September 2023. Out of \$4.5 billion GF provided in Chapter 1, net general fund spending of \$1.5 billion was continued into the first year and \$1.3 billion in the second year of the 2024-2026 biennium. Chapter 1 actions include a net \$98.7 million GF in partially funded actions for which HB/SB 30 includes \$103.6 million GF the first year and \$65.9 million GF the second year to fully fund on an ongoing basis. In addition, \$230.8 million GF in one-time savings adopted in Chapter 1 is not reflected in the

introduced budget. One-time spending actions in Chapter 1 totaling about \$1.5 billion are also not included in the introduced budget (a few actions had a partial continuation).

The status of Chapter 1 actions that were annualized or not included in HB/SB 30 are detailed below.

Action on Chapter 1 Appropriations in HB/SB 30			
<i>(Amounts Under Governor's Action Reflects Additional Appropriation Added or Removed)</i>			
<i>(GF \$ in millions)</i>			
	FY 2024 Approp.	<u>Governor's Action</u>	
		FY 2025	FY 2026
Chapter 1 Budget Annualizations <i>(Appropriations Partially Funded in Chapter 1)</i>			
SCHEV: Recruitment and Retention of Pell-Eligible Students*	12.5	25.0	(12.5)
DBHDS: Compensation for Community Services Board Staff	18.0	18.0	18.0
COMP BOARD: Salary Increase for Sheriffs' Offices	7.6	7.6	7.6
DBHDS: School-based Mental Health Pilot	7.5	7.5	7.5
DARS: Auxiliary Grant Rate Increase	7.3	7.3	7.3
DBHDS: Increase Funding for First Three STEP-VA Services	4.4	4.4	4.4
DBHDS: Housing Opportunities for Individuals with Serious Mental Illness	4.0	4.0	4.0
COMP BOARD: Salary Increase for Commonwealth's Attorneys' Offices	4.0	4.0	4.0
DBHDS: Virginia Mental Health Access Program	4.0	4.0	4.0
COMP BOARD: Salary Increase for Public Defender Offices	3.7	3.7	3.7
DOC: 24-Hour Nursing Coverage	1.9	2.7	2.7
COMP BOARD: Increase Per Diem Payment for Local Responsible Inmates	0.8	2.5	2.5
COMP BOARD: Restore Unfunded Deputy Treasurer Positions	2.0	2.0	2.0
COMP BOARD: Amendments: Increase Per Diem Payment for Local Responsible Inmates	0.6	1.8	1.8
VADACS: Hemp Product Registration and Regulation	1.1	1.1	1.1
COMP BOARD: Piedmont Regional Jail Authority Positions	1.0	1.0	1.0
COMP BOARD: Salary Increase for District Court Clerks & Deputy Clerks	1.0	1.0	1.0
COMP BOARD: Restore Unfunded Commissioner of the Revenue Positions	0.9	0.9	0.9
VDH: Salary Adjustments for the Office of Chief Medical Examiner	0.7	0.7	0.7
COMP BOARD: Consolidate Table Setting Out Sheriffs' Salaries	0.7	0.7	0.7

Action on Chapter 1 Appropriations in HB/SB 30

(Amounts Under Governor’s Action Reflects Additional Appropriation Added or Removed)

(GF \$ in millions)

COMP BOARD: Salary Increase for Circuit Court Clerks' Offices	0.6	0.6	0.6
DCJS: Safer Communities Program	10.5	0.5	0.5
VSP: Impaired Driving Enforcement Training	0.5	0.5	0.5
2023 Special Session I Amendments: VSP - Organized Retail Crime	0.4	0.4	0.4
Commission on Electric Utility Regulation	0.3	0.3	0.3
OAG: Compensation Adjustment for Non-attorney Staff	0.3	0.3	0.3
Court of Appeals Caseloads	0.2	0.3	0.3
DFS: Positions for Increased Caseloads	0.2	0.2	0.2
OAG: Organized Retail Crime Task Force	0.2	0.2	0.2
DCJS: Witness Protection Program	1.0	0.2	0.2
VADACS: Establish Beer Distribution Company	0.5	0.2	(<0.1)
DARS: Maintain Personal Care Services Provided to Disabled Virginians	0.1	0.1	0.1
JUDICIAL: Add Interpreters High-Need District	0.1	0.1	0.1
Crime Commission: Staff Compensation Plan	0.1	0.1	0.1
Sentencing Commission Compensation Adjustment	0.1	0.1	0.1
VCIEAC: One Position for Increased Workload	0.1	0.1	0.1
COMP BOARD: Career Development Plans	<0.1	<0.1	<0.1
Piedmont Regional Jail Authority Overhead Recovery	<u>(0.2)</u>	<u>(0.5)</u>	<u>(0.5)</u>
Total Annualizations	\$98.7	\$103.6	\$65.9

** SB30/HB30 reflects this action being continued but as a separate policy adjustment removes the entire \$37.5 million in the second year thereby eliminating all funding for the program.*

Chapter 1 One-Time Budget Savings Not Continued *(Savings Items in Chapter 1 the Governor Did Not Continue)*

DMAS: Medicaid Funding Adjustment	(\$216.7)	\$216.7	\$216.7
DSS: Child Welfare Funding Adjustment	(5.3)	5.3	5.3
DMAS: Medical Assistance Services for Low-income Children Funding Adjustment	(2.8)	2.8	2.8
State Workers' Compensation Premiums	(2.6)	2.6	2.6
Agency Health Insurance Premiums	(2.0)	2.0	2.0
Agency Information Technology Costs	(0.4)	0.4	0.4
DSS: Child Welfare Funding Adjustment	(0.4)	0.4	0.4
DMAS: Family Access to Medical Insurance Security Program Funding Adjustment	(0.3)	0.3	0.3

Action on Chapter 1 Appropriations in HB/SB 30

(Amounts Under Governor's Action Reflects Additional Appropriation Added or Removed)

(GF \$ in millions)

DMAS: Medical Services for Involuntary Mental Commitments	(0.3)	0.3	0.3
Total One-Time Budget Savings Not Continued	(\$230.8)	\$230.8	\$230.8

Chapter 1 Budget One-Times or Partial Continuations

Revenue Reserve Deposit - FY 2023 Surplus	\$289.6	(\$289.6)	(\$289.6)
Water Quality Improvement Fund Deposit (FY 2023)	207.5	(207.5)	(207.5)
Enhanced Nutrient Removal Certainty Program	151.0	(151.0)	(151.0)
VDOT: I-64 Improvements	150.0	(150.0)	(150.0)
Water Quality Improvement Fund Deposit (FY 2022)	131.0	(131.0)	(131.0)
Resilient Virginia Revolving Loan Fund	100.0	(100.0)	(100.0)
Virginia Business Ready Sites Acquisition Fund and Program	75.0	(50.0)	(75.0)
Major Headquarters Workforce Grant Fund (FY 2022)	35.5	(35.5)	(35.5)
Stormwater Local Assistance Fund	30.0	(30.0)	(30.0)
Business Ready Sites Program Fund	125.0	(29.5)	(129.5)
Dam Safety	25.0	(25.0)	(25.0)
DBHDS: Comprehensive Crisis Services System	58.0	(18.2)	(18.2)
Mass Violence Care Funding	10.0	(10.0)	(10.0)
Inland Port Development	10.0	(10.0)	(10.0)
DBHDS: Mobile Crisis Teams	10.0	(10.0)	(10.0)
DBHDS: Hospital-based Psychiatric Emergency Alternatives	10.0	(10.0)	(10.0)
Virginia Beach Regional Stormwater Management Facility	10.0	(10.0)	(10.0)
York County Cruise Ship Tender Pier and Transportation Facility	8.5	(8.5)	(8.5)
2024 Presidential Primary Expenses	7.3	(7.3)	(7.3)
Virginia Beach Stormwater Encroachment Resilience Activities	7.0	(7.0)	7.0
Remediation Incentive for Sale of Central Virginia Training Center	6.0	(6.0)	6.0
DCJS: Off Duty and Overtime Officer Program	5.1	(5.1)	(5.1)
Transformation Office	5.0	(5.0)	(5.0)
DBHDS: Chesapeake Regional Hospital Psychiatric Services	4.5	(4.5)	(4.5)
Virginia Power Innovation Fund	4.0	(4.0)	(4.0)
Virginia Battlefield Preservation Fund - New Market Battlefield	3.8	(3.8)	(3.8)
DOC: Lawrenceville Correctional Center Contract Increase	3.2	(3.2)	(3.2)

Action on Chapter 1 Appropriations in HB/SB 30

(Amounts Under Governor's Action Reflects Additional Appropriation Added or Removed)

(GF \$ in millions)

Transfer Funding for Language Access Program	2.5	(2.5)	(2.5)
Support Culpeper Battlefield State Park Land Preservation	2.5	(2.5)	(2.5)
Virginia Beach Stormwater Encroachment Resilience Activities	7.0	(7.0)	(7.0)
DCJS: Aid to Localities with Police Departments	2.1	(2.1)	(2.1)
TRS: Rebate Administrative Processing Costs	1.8	(1.8)	(1.8)
Community Development Financial Institutions Fund	1.5	(1.5)	(1.5)
Corrections Special Reserve Fund Required Deposit	1.1	(1.1)	(1.1)
Lake Anna Cyanobacteria Mitigation and Remediation	1.0	(1.0)	(1.0)
VCA: State Theatre of Virginia	0.9	(0.9)	(0.9)
Agency Rent Costs	0.9	(0.9)	(0.9)
Line of Duty Act Premiums	0.9	(0.9)	(0.9)
VA Econ. Incent. Dev. Grant (VEDIG) Funding	1.7	(0.6)	(0.6)
Dogwood Veterans Memorial Foundation	0.6	(0.6)	(0.6)
TAX: Fund Costs for Tax Administration	0.6	(0.6)	(0.6)
Carter Family Fold	0.5	(0.5)	(0.5)
Catawba Hospital Study	0.5	(0.5)	(0.5)
Establish Dept. of Workforce Development & Advancement	0.5	(0.5)	(0.5)
Buchanan Theater	0.5	(0.5)	(0.5)
TAX: Rebate Administrative Processing Costs	0.5	(0.5)	(0.5)
Workforce, Innovation, Skills Hub (WISH)	0.4	(0.4)	(0.4)
Historic Fluvanna County Courthouse	0.3	(0.3)	(0.3)
Virginia Museum of Transportation	0.3	(0.3)	(0.3)
Agency Charges for Cardinal System	0.3	(0.3)	(0.3)
Relocation of Sports Teams to the Commonwealth	0.3	(0.3)	(0.3)
DBHDS: Regional All Abilities Playground Facility	0.3	(0.3)	(0.3)
Preservation of Archaeological Evidence Near James Fort	0.3	(0.3)	(0.3)
VADACS: Dairy Producer Margin Coverage Premium Assistance Program	0.7	(0.2)	(0.5)
Buchanan Co. and Tazewell Co. DSS Admin. Costs for Disaster Relief	0.2	(0.2)	(0.2)
Gum Springs Museum and Cultural Center	0.2	(0.2)	(0.2)
Jefferson School African American Heritage Center	0.2	(0.2)	(0.2)
Nelson Heritage Center	0.2	(0.2)	(0.2)
Greensville County Training School	0.2	(0.2)	(0.2)

Action on Chapter 1 Appropriations in HB/SB 30

(Amounts Under Governor's Action Reflects Additional Appropriation Added or Removed)

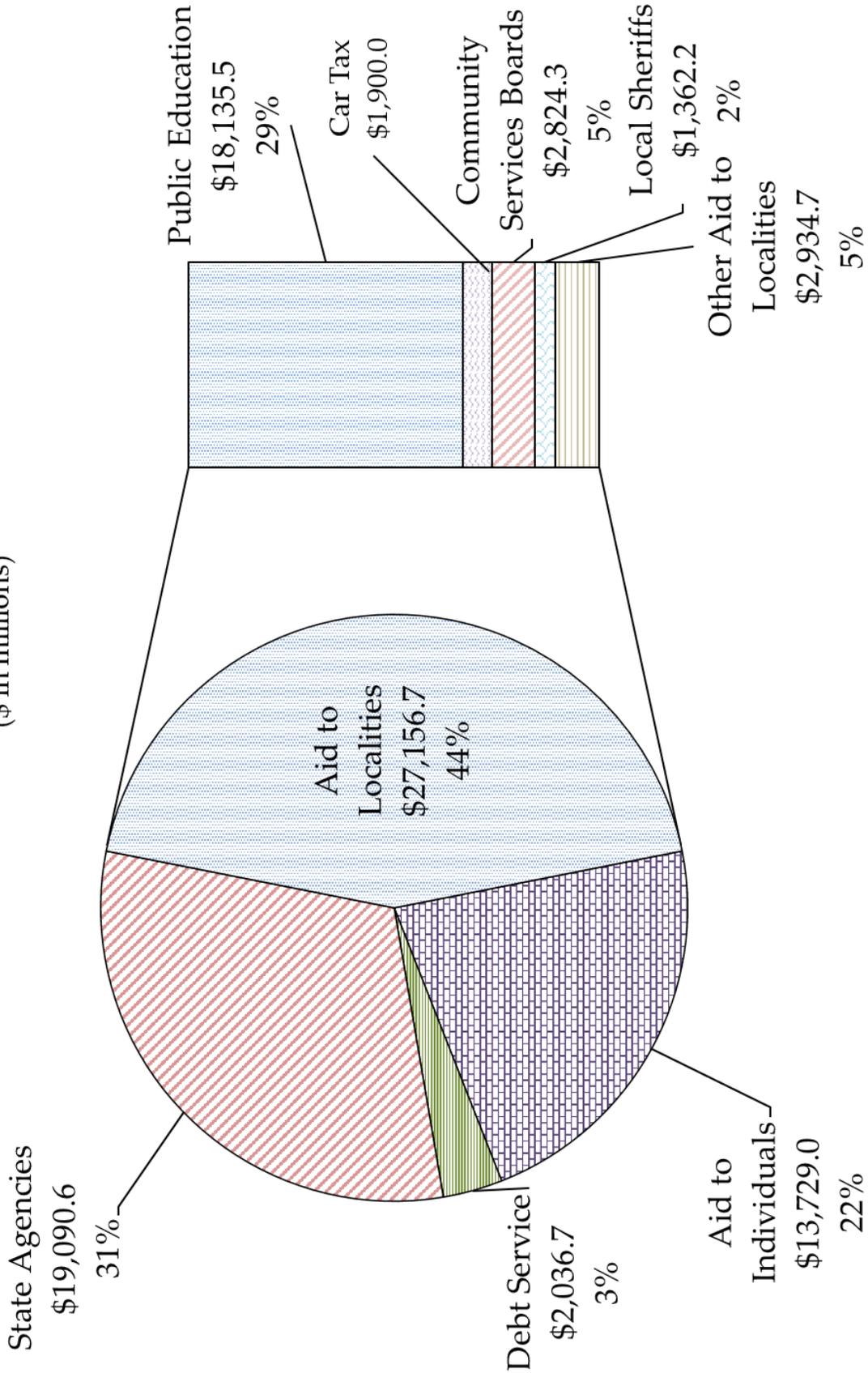
(GF \$ in millions)

Pocahontas Cemetery	0.1	(0.1)	(0.1)
Saint Paul's College Museum and Archives	0.1	(0.1)	(0.1)
Weston Manor	0.1	(0.1)	(0.1)
Historic Study of the Green Book in Virginia	0.1	(0.1)	(0.1)
Blue Catfish Processing, Flash Freezing, & Infrastructure Grant Program	<u>0.3</u>	<u>0.0</u>	<u>(0.3)</u>
Total Budget One-Times or Partial Continuations	\$1,514.20	(\$1,352.0)	(\$1,451.6)

2024-26 GF Operating Budget = \$62.0 Billion

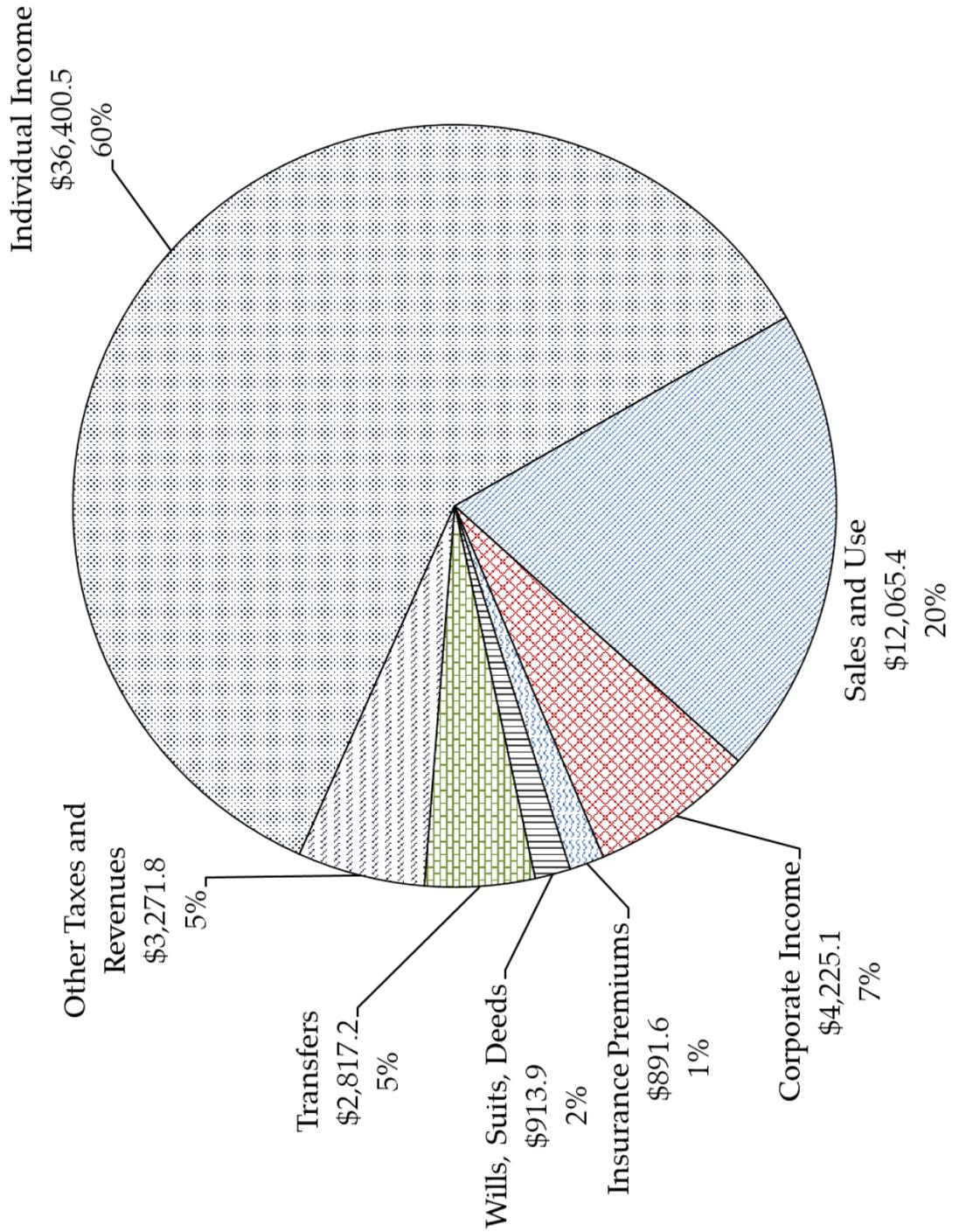
(HB/SB 30, as Introduced)

(\$ in millions)



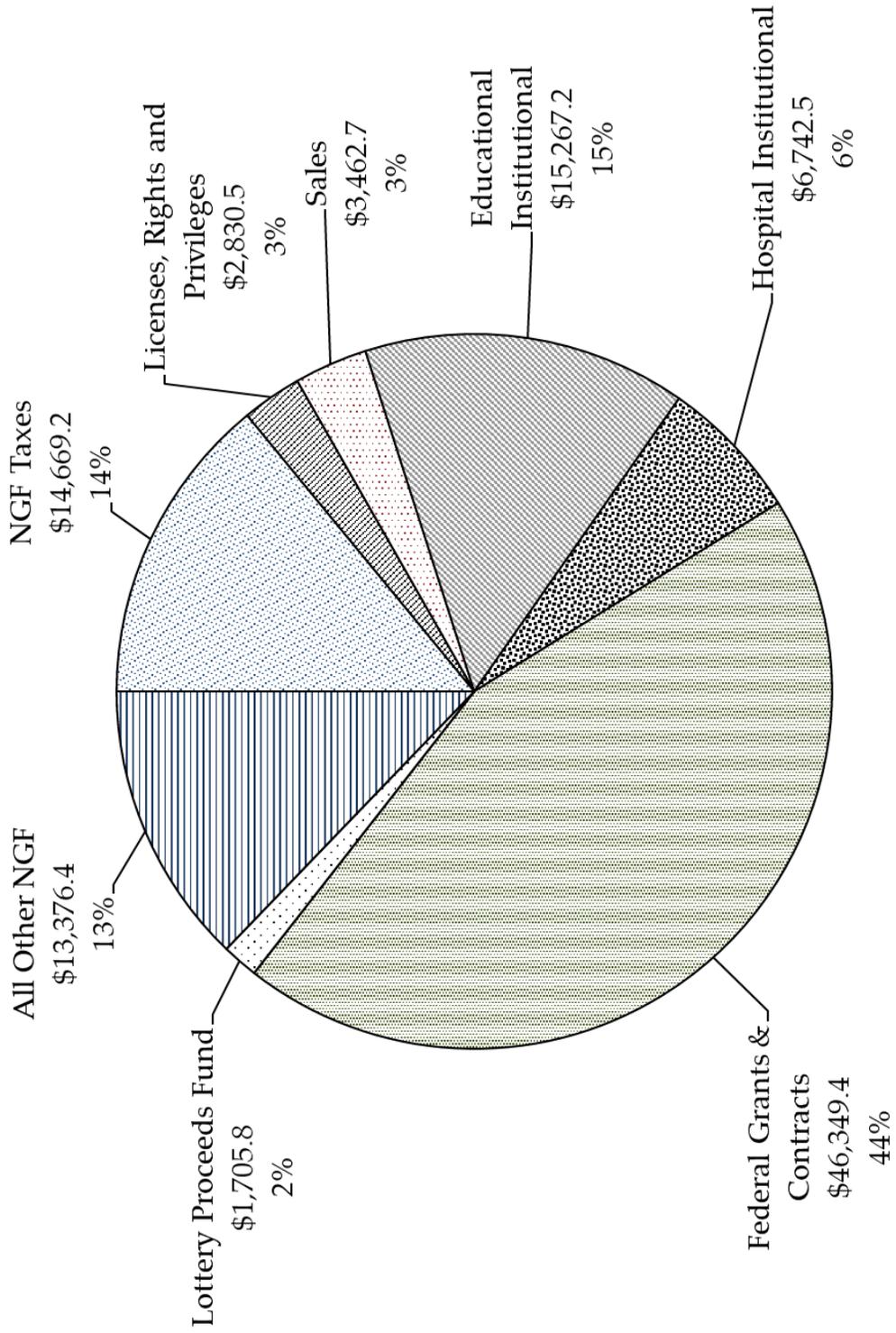
FY 2024-26 General Fund Revenues = \$62.9 Billion

(HB/SB 30, as Introduced)
(\$ in millions)



FY 2025-26 Nongeneral Fund Revenues = \$104.4 Billion

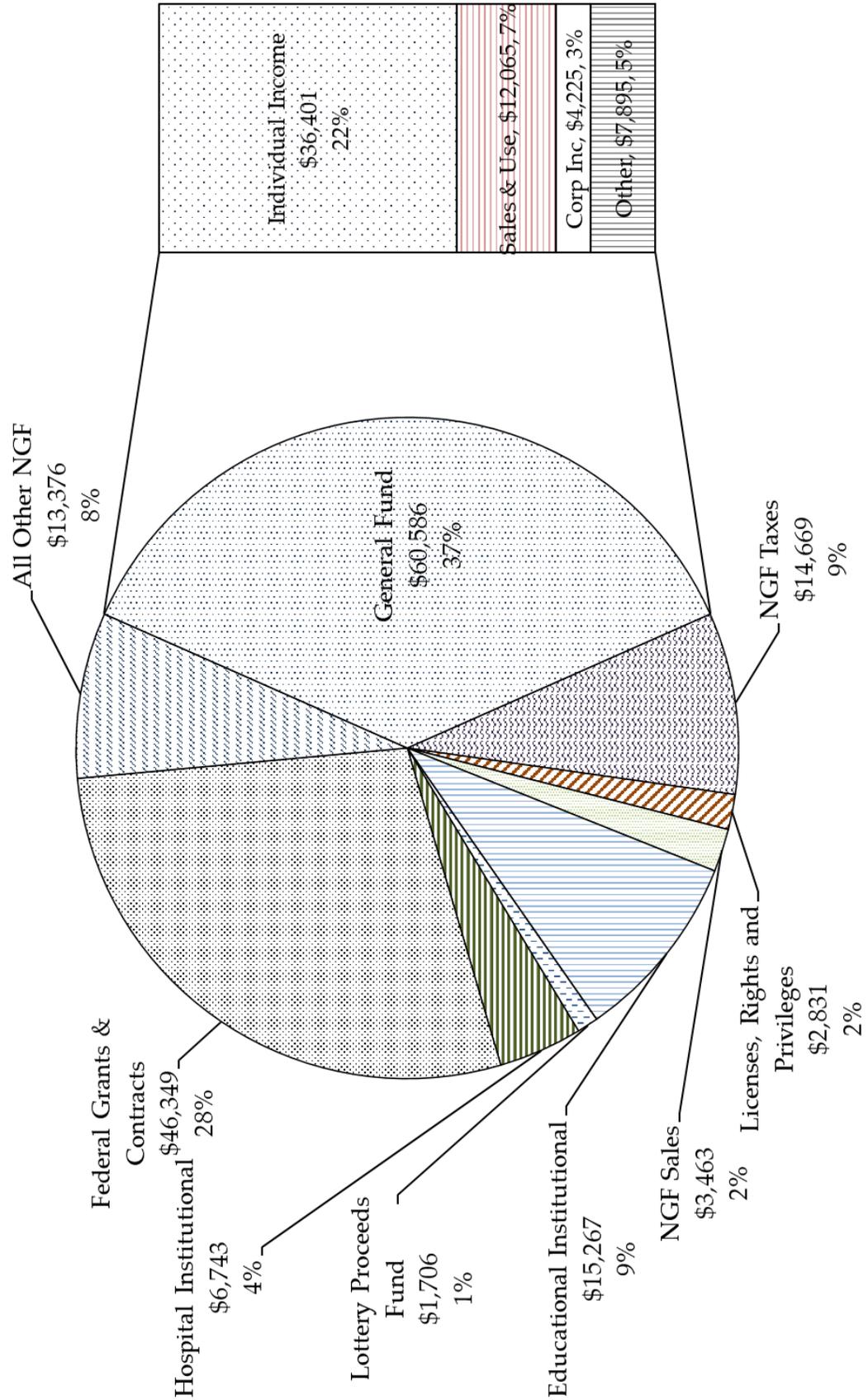
(HB/SB 30, as Introduced)
(\$ in millions)



2024-26 Total Revenues = \$165.0 Billion

(HB/SB 30, as Introduced)

(\$ in millions)



Judicial Department. The Governor’s proposed FY 2024-26 budget recommends a net increase of \$8.6 million GF and \$4.2 million NGF over the biennium compared to the Chapter 1 FY 2024 adjusted base. Items include \$3.5 million GF for a new resource planning system for the Office of the Executive Secretary of the Supreme Court, \$2.8 million GF for additional positions at the Court of Appeals of Virginia, and \$2.25 million GF for specialty dockets.

Administration. The introduced budget proposes a net decrease of \$70.8 million GF and a net increase of \$341.3 million NGF for the 2024-2026 biennial budget. A significant portion of the GF reduction are adjustments to Compensation Board funding to align appropriations with projected expenditures in offices of constitutional officers, including reductions of: \$15.7 million GF each year to account for the closures of Hampton Roads Regional Jail and Bristol City Jail; \$15.0 million GF each year to reflect lower projected jail inmate per diem payments; and \$9.4 million GF the second year to align with projected vacant position levels.

Agriculture and Forestry. The Governor’s proposed budget recommends increases of \$6.3 million GF in FY 2025 and \$2.0 million GF in FY 2026 in addition to an upward adjustment for nongeneral fund resources of \$5.6 million NGF in the first year and \$5.9 million NGF in the second year. Within these amounts, new spending priorities for the Department of Agriculture and Consumer Services include competitive grants for agricultural technology research projects, increased support for the Governor’s Agriculture and Forestry Industries Development Fund, and funding and positions for inspection programs. For the Department of Forestry, funding is provided to conduct a carbon life-cycle assessment and to remove derelict fire towers.

The proposed budget includes budget reductions for Agriculture and Forestry totaling \$1.2 million GF in FY 2025 and \$1.1 million GF in FY 2026. Reduction strategies include decreased funding for farmland preservation, international trade, the Virginia Natural Resources Leadership Institute, and expansion of broadband for Department of Forestry district offices. In addition to the on-going savings strategies, the proposed budget captures one-time nongeneral fund cash balances of \$2.5 million NGF in the first year.

Commerce and Trade. The Governor’s proposed budget increases general fund spending by \$158.9 million GF over the biennium. Substantial investments are proposed for economic development, including additional funding of \$120.5 in the first year for business ready sites and site acquisition and \$100.0 million GF to establish the Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network. In addition, \$25.0 million is proposed for early learning capital incentives to support Virginia’s workforce by increasing the supply of quality early learning facilities in childcare deserts. Other major spending proposals include \$10.0 million GF to continue planning and development of an inland port in the Mount Rodgers Planning District, a one-time deposit of \$6.0 million GF to the Virginia Power Innovation Fund for energy technology research, and \$2.7 million GF over the biennium to increase the capacity of the Virginia Office of Education Economics to provide data for understanding future workforce demands.

Budget reductions proposed for the Commerce and Trade Secretariat total \$56.9 million GF in FY 2025 and \$87.0 million GF in FY 2026. The most significant reduction proposed is a decrease in funding for the Virginia Telecommunications Initiative of \$29.7 million GF in the first year and \$49.7 million in the second year, thereby eliminating general fund support for broadband expansion. Other saving strategies include capturing unobligated balances of \$28.0 million from the Growth and Opportunity Fund and reducing support for the Business One Stop program by 85 percent.

Labor. The Governor’s proposed budget includes actions to transfer \$2.0 million GF, \$128.3 million NGF and 459.0 positions each year to establish the Department of Workforce Development and Advancement as a state agency by consolidating workforce programs from three agencies. Funding of \$3.2 million GF is also proposed for one-time start-up costs, including information technology integration and moving expenses, for the new agency. Additionally, the proposed budget authorizes the Virginia Employment Commission to promulgate emergency regulations to establish and implement an administrative fee to support critical staffing and technology needs.

Public Education. The Governor’s budget proposes a net increase of \$174.0 million GF and \$686.0 million NGF over the biennium. These amounts include costs related to the biennial rebenchmarking process and proposed policy changes.

The budget reflects biennial initial rebenchmarking costs of \$964.5 million. After removing one-time funds provided in the prior biennium, final costs result in a net reduction of \$209.1 million. The primary cost drivers related to rebenchmarking include: \$807.6 million GF over biennium to support the growth in funded instructional and support salaries; \$807.6 million GF over the biennium to support the growth in non-personnel support costs; and \$131.2 million over the biennium related to increased transportation costs. The growth in non-personnel and transportation costs were largely a result of inflation, increased expenditures to support pandemic costs, and lower than expected expenditure data in FY 2020 when the last rebenchmarking process occurred due to schools closing in March 2020.

The major declines in rebenchmarking costs include: \$250.8 million GF over the biennium based on a projected decrease in student enrollment of 4,702 students compared to the updated FY 2024 projections; \$388.0 million GF over the biennium related to the calculation of the federal deduct - a process to partially remove additional federal support (this amount is higher than in prior processes as a result of one-time pandemic relief funds reflected in expenditure data); \$61.3 million GF over the biennium based on updates to the Composite Index of Local Ability-to-Pay (LCI); and \$63.1 million GF over the biennium in sales tax revenues for public education based on the November 2023 sales tax forecast.

The proposed budget also incorporates the cost of several proposed policy changes including: \$412.1 million GF over the biennium to provide low-income, working families currently receiving support from the Child Care Subsidy Program with state funding after federal funding becomes unavailable; \$535.0 million NGF from the Literary Fund and \$115.0 million GF over the biennium to support school employee retirement contributions and unfunded liabilities; a decrease of \$229.0 million GF over the biennium as a result of elimination the supplemental General Fund payment on sales tax on food; \$86.7 million GF in increased sales tax revenue as a result of base expansion to include digital personal property and digital services; \$30.0 million GF each year to support the College Partnership Laboratory Schools Fund; \$61.2 million GF over the biennium to support the expansion of the reading specialist staffing standard in grades four through eight; \$53.0 million GF in FY 2025 to support a one percent bonus for

instructional and support positions; \$122.8 million GF in FY 2026 to support a two percent salary increase for instructional and support positions; \$40.0 million GF over the biennium for the Department of Education to enter into a new state assessment contract; and \$20.0 million GF each year to support the attainment of industry recognized credentials among high school students (as identified by the Virginia Office of Education Economics Top Jobs List) under the Diploma Plus program.

Other proposed initiatives in K-12 include: \$80.0 million NGF each year for deposit into the School Construction Fund from Casino Gambling Proceeds; \$7.2 million GF each year to support a state contract for mental health services for students in grades six through 12; and the transfer of \$340,000 GF each year of the biennium from the State Council of Higher Education for Virginia to the Department of Education to support teachers pursuing credentials to teach dual enrollment high school courses and the Grow Your Own Teacher Program.

Higher Education. The Governor's proposed budget includes a net increase of \$55.6 million GF over the biennium for higher education institutions and related agencies. This includes \$107.6 million GF in new spending and \$51.9 million in proposed savings, reductions, and transfers to agencies outside of higher education.

Major system investments include: \$37.0 million GF over the biennium to support the merger between Old Dominion University and Eastern Virginia Medical School; \$16.0 million GF the first year to support one-time safety and security grants at public institutions of higher education; \$7.8 million GF over the biennium to support eight regional career placement centers through the Virginia Community College system; and \$6.0 million over the biennium to pursue a common vendor and statewide contract to provide student mental health services.

Major savings and reduction proposals include: \$37.5 million GF the second year to remove funding for the Pell Initiative to recruit and retain low-income students; \$8.0 million GF over the biennium to remove funding for the Online Virginia Network Authority; \$3.2 million GF the second year to remove funding for New College Institute; \$500,000 GF over the biennium to remove funding for the Fund for Excellence and

Innovation at the State Council of Higher Education; and \$301,000 GF over the biennium to remove support for the Student Loan Ombudsman program.

Other large initiatives impacting higher education include \$100.0 million GF in one-time funding the first year to support the Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network. Funding is provided through the Virginia Innovation Partnership Authority and provides support for initiatives at UVA, VT, and VCU. In addition, the Governor recommends a one percent bonus each fiscal year on December 1, 2024 and 2025 and a one percent salary increase on June 10, 2025.

The budget also provides recommended language related changes by the U.S. Department of Education to the Free Application for Federal Aid (FAFSA) that takes effect for the 2024-25 academic year that impact how state financial aid is awarded. The proposed changes align state financial aid references to new FAFSA terminology and provides exceptions where state aid should not align with the proposed updates.

Finance. The introduced budget proposes a net increase of \$81.5 million GF and \$7.5 million NGF over the 2024-2026 biennium. The only significant change in GF spending is \$83.7 million GF for higher debt service costs in Treasury Board, which is slightly offset by some minor administrative savings in various Finance agencies. In The Department of the Treasury there is an increase of \$31.0 million NGF to cover higher payments for the Commonwealth's general liability and property insurance programs. The expenses of the state's financial and payroll systems are expected to be lower by \$21.4 million NGF over the biennium. Proposed reductions of \$1.0 million GF each year in the Department of Accounts and the Department of Planning and Budget are based on unspent appropriation in FY 2023. In addition, the agencies in Finance have proposed position level reductions totaling 102 based on their current unfunded vacancies. Overall, GF resources include \$805.0 million from the Revenue Reserve Fund based on a proposal to reduce the combined balance limit for the Revenue Stabilization and Revenue Reserve Funds to the 15 percent limitation in the Code of Virginia.

Health and Human Resources. The introduced budget proposes a net increase of \$1.7 billion GF and \$6.5 billion NGF. The largest spending item is the required \$1.2 billion GF to fund the projected expenditures of the Medicaid program. This includes

\$508.9 million GF to replace the revenue loss in the Virginia Health Care Fund (VHCF), which is used as state match for the Medicaid program. Managed organization repayments due to lower utilization of health care services during the COVID-19 pandemic had inflated the revenue for the VHCF and are no longer available. That loss of revenue along with a decline in tobacco taxes resulted in a significant revenue loss that must be backfilled by GF to fully fund Medicaid. The NGF amount primarily represents the federal share of Medicaid.

Other mandatory spending includes funding of \$157.0 million for the Family Access to Medical Insurance Security program, projected expenses of the Children's Services Act, and increases in foster care and adoption assistance payments. Discretionary spending makes up 22 percent of proposed spending for Health and Human Services. Such spending includes adding 3,440 developmental disability waivers slots, behavioral health crisis initiatives, healthcare workforce programs, and salary increases for clinical, food services, and environmental service positions at the state psychiatric and intellectual disability facilities. The proposed budget also includes \$59.5 million GF in savings from reducing funding for foster care prevention services, lower costs for the Medicaid children's health insurance program, and restricting coverage for weight loss drugs under Medicaid.

Natural Resources. For the Office of Natural and Historic Resources, the introduced budget includes a net increase of \$477.3 GF in FY 2025 and \$6.5 million Gf in FY 2026. Nongeneral fund resources also increased by \$76.5 million NGF in the first year and \$84 million NGF in the second year. The increased spending is driven, in large part, by proposed deposits of \$138.0 million GF and \$63.0 NGF in FY 2025 for the Water Quality Improvement Fund and the Natural Resources Commitment Fund to meet the current annual need for agricultural best management practices identified through an assessment process. Substantial new funding is recommended in the first year for flood prevention and storm mitigation resiliency efforts, including federal grant match support of \$73.9 million GF for the Norfolk Coastal Storm Risk Management Project, \$100.0 million GF for the Virginia Community Flood Preparedness Fund, \$25.0 million GF for the Resilient Virginia Revolving Loan Fund, and \$5.6 million GF for dam safety programs. State parks operating and capital budgets are also recommended for increases, and the

proposed budget includes operating support totaling \$5.2 million GF for specific parks and capital outlay funding of \$10.7 million NGF.

Other proposed budget actions in Natural and Historic Resources include \$50.0 million GF for the City of Richmond Combined Sewer Overflow Project and \$35.0 million GF for the City of Bristol landfill remediation project. A capital grant program is proposed to provide \$35.0 million GF to support improvements at significant historic sites in anticipation of the 250th anniversary of the founding of the United States. Law enforcement salary compression and position needs are addressed for three Natural Resources agencies, totaling \$2.8 million GF and \$1.3 million NGF.

Public Safety. The introduced general fund budget recommends a decrease of \$127.2 million GF over the 2024-26 biennium, offset by a biennial increase of \$129.3 million GF. The most significant reduction is \$118.6 million GF to account for the closures of four Department of Corrections (DOC) facilities in light of persistent staffing shortages and declines in the inmate population. Significant increases include \$42.9 million GF for DOC to assume direct management of Lawrenceville Correctional Center from a private contractor, \$18.0 million GF for a new law enforcement recruitment and wellness initiative, and \$19.0 million GF for a DOC correctional officer career progression program.

Transportation. Within the Transportation Secretariat, the introduced budget provides for net downward adjusts of (\$157.6 million) NGF in FY 2025 and (\$454.6 million) NGF in FY 2026 based on the November Commonwealth Transportation Fund forecast, program adjustments, agency operations, and the Transportation Six-Year Financial Plan, as approved by the Commonwealth Transportation Board in June 2023. In addition to these amounts, a one-time investment of \$70.0 million GF is proposed to accelerate the Interstate-81 Lane Widening Project in the Salem District. General fund support totaling \$2.2 million is also provided to support the Virginia Barge and Rail Usage Grant Program and Virginia Port Volume Increase Grant Program to replace existing tax credit programs that will expire January 1, 2025. Finally, \$20.0 Million GF is proposed for the Transportation Partnership Opportunity Fund, and the Commonwealth Transportation Board is directed to provide at least \$200.0 million NGF to the fund in the Six-Year Financial Plan for fiscal years 2025 to 2030. Part 2 of the budget

recommends \$493.2 million NGF for capital improvement projects for transportation and port facilities.

Veterans and Defense Affairs. The proposed 2024-26 budget proposes a net increases of \$34.8 million GF and \$6.2 million NGF over the biennium. The introduced budget proposes \$30.5 million GF to subsidize operations at two new veterans care centers, partially due to start-up expenses incurred before revenue is available from resident payments. The introduced budget also includes \$1.6 million GF for a veteran self-service portal and virtual service center, as well as \$1.2 million GF for cash management software for the Department of Military Affairs.

Central Appropriations. The introduced budget proposes a net increase of \$412.0 million GF and a decrease of \$41.4 million NGF over the 2024-2026 biennium. The largest spending items include \$150.0 million GF for a technology fund for state agency information technology projects, \$109.0 million GF for a one percent bonus in each year for state employees and state-supported locals; \$106.3 million GF for the agency employer costs of the increase in state health insurance premiums; and \$59.6 million GF the second year for a one percent salary increase for state employees and state-supported locals. Other spending proposals include \$20.0 million GF for operational activities of the American Revolution 250 Commission, \$15.0 million GF for a workforce recruitment program, and \$6.5 million for the payment of interest and credit card rebates to higher education institutions. Typical cost changes for state agencies for other fringe benefit rates, use of central information technology systems, rent, Line of Duty Act, worker's compensation, and insurance premiums is proposed as a net decrease of \$26.8 million GF, which will be captured in state agency budgets. The NGF decrease is due mainly to lower expected expenditures of the Tobacco Region Revitalization Commission.

Independent. The introduced budget includes a proposed increase of \$52.0 million GF and \$882.4 million NGF over the 2024-2026 biennium. The largest spending item is in the State Corporation Commission (SCC) with \$52.0 million GF and \$686.0 million NGF to fund the expected costs of the Commonwealth Health Reinsurance Program. The funding is to reimburse individual health insurance market carriers for eligible expenses and is supported through federal funding provided through the Patient Protection and

Affordable Care Act Section 1332 State Innovation Waiver. Another \$47.3 million NGF is proposed for the state-based health benefit exchange at the SCC. Other major spending includes: \$100.0 million NGF to the Lottery for gaming tax revenue distributions to localities; \$27.0 million NGF at the Virginia Retirement Center to improve operations; and \$9.9 million for the Virginia College Savings Plan to improve cybersecurity and other operational purposes.

Capital Outlay. The proposed capital outlay program for FY 2024-26 totals \$2.1 billion from all fund sources. Of this amount, \$916.6 billion is general fund cash and \$334.9 million in tax-supported bond proceeds. The introduced budget also includes \$124.3 million in 9(c) revenue bonds and \$9.3 million in 9(d) revenue bonds. The balance of \$749.9 million is nongeneral fund cash from a variety of agency fund sources. Proposed general fund supported projects heavily focus on maintaining and improving existing facilities. The general fund supported projects can be categorized as follows: 1) \$300.0 million to supplement previously authorized projects for cost overruns, 2) the detailed planning of new projects at \$27.5 million, 3) \$404.0 million for Maintenance Reserve allocations in FY 2025 only, 4) \$103.5 million for equipment supplements for capital projects coming online within the next 18 months and Tech Talent Investment Program equipment, 5) \$187.0 million for deferred maintenance type projects, and \$229.4 million for improvements and renovations at existing facilities. Additionally, language propose establishing state capital funding policies that annual general fund-supported capital appropriation, including tax-supported bond authorizations, amounts must not exceed one percent of general fund revenue plus debt capacity and any prior-year general fund appropriation balances that were not reappropriated. The fund policy also proposes at least one percent of general fund revenue must be for addressing maintenance needs of existing state facilities.

Resources

The proposed 2024-26 budget includes \$62,938.3 million in general fund resources available for appropriation.

General Fund Resources Available for Appropriation (\$ in millions)			
	FY 2025	FY 2026	Biennium
Beginning Balance	\$2,353.8	\$0.0	\$2,353.8
Additions to Balances	(0.5)	(0.5)	(1.0)
Official GF Revenue Estimate	28,121.4	\$29,646.9	\$57,768.3
Transfers	<u>1,744.0</u>	<u>1,073.2</u>	<u>2,817.2</u>
GF Resources Available for Appropriation	\$32,218.7	\$30,719.6	\$62,938.3

Available Balance

The budget, as introduced, includes a projected beginning balance of \$2,353.8 million at the close of the 2022-24 biennium. The beginning balance is a result of the FY 2024 revenue forecast adjustment, positive net transfer adjustments from the ABC profit transfer and reversions from the 2023 Individual Income Tax Rebate Fund, reversion of discretionary FY 2023 appropriation balances, and a net spending reduction in FY 2024 as proposed in HB/SB 29. The beginning balance is offset by reductions of \$500,000 each year pursuant to the Intergovernmental Cash Management Act.

Forecast of General Fund Revenues

The 2024-26 general fund forecast, as introduced, assumes revenue growth rates of 3.0 percent in FY 2025 and 6.0 percent in FY 2026 prior to proposed policy actions. Embedded in the forecast is the consensus outlook that the United States enters a mild recession that lasts three-quarters. The forecast assumes the recession begins in the fourth quarter of FY 2024 and lasts through the second quarter of FY 2025. Virginia typically lags the U.S. economy during both periods of economic expansion and contraction, and the consensus view remains that Virginia outperforms the United States

during this mild recession downturn. Virginia’s employment growth is estimated to decline 0.1 percent in FY 2025, and then rebound with 2.5 percent growth in FY 2026 compared to a 0.4 percent decline and 2.1 percent increase, respectively, for the United States. Virginia’s estimated job growth in education, healthcare, and government sectors prevents a more severe job decline in FY 2025. Virginia’s unemployment rate ticks up to 3.6 and 4.4 percent in FY 2025 and FY 2026, respectively, compared to 5.9 and 4.3 percent, respectively, for the United States.

Economic Variables Assumed in Forecast				
% Growth over Prior Year				
	FY 2025		FY 2026	
	VA	US	VA	US
Employment	(0.1)	(0.4)	2.5	2.1
Personal Income	3.2	2.9	4.4	4.3
Wages and Salaries	3.5	3.1	5.9	5.2

In addition, the introduced budget contains several proposed policy changes that result in a net decrease of \$999.5 million GF over the biennium. These specific tax policy proposals are outlined in the next paragraph. After accounting for the proposed policy changes and forecast adjustments, general fund revenue collections total \$28,121.4 million in FY 2025 and \$29,646.9 million in FY 2026. Net of policy adjustments, the general fund forecast, as introduced, reflects general fund revenue growth of 1.4 percent in FY 2025 and 5.4 percent in FY 2026.

General Fund Revenue Estimates			
(\$ in millions)			
	FY 2025	FY 2026	Biennium
Base Revenue Chapter 1, 2023 Special Session I	\$26,369.3	\$26,369.3	\$52,738.6
GACRE Adjustments November	2,162.6	4,016.6	6,179.2
Post-GACRE Adjustments	0.0	(150.0)	(150.0)
Assumed Tax Policy Actions	<u>(410.5)</u>	<u>(589.0)</u>	<u>(999.5)</u>
Total	\$28,121.4	\$29,646.9	\$57,768.3

2024-26 Biennium Official GF Forecast
(\$ in millions)

	FY 2025	% Growth over FY 2024	FY 2026	% Growth over FY 2025
Withholding	\$15,958.1	(0.5)	\$16,102.0	0.9
Nonwithholding	5,397.0	(7.2)	5,225.8	(3.2)
Refunds	<u>(3,254.6)</u>	<u>(2.4)</u>	<u>3,027.7</u>	<u>(7.0)</u>
Net Individual	\$18,100.4	(2.2)	\$18,300.1	1.1
Corporate	2,063.8	(6.8)	2,161.3	4.7
Sales	5,400.9	19.6	6,664.5	23.4
Insurance	439.3	(1.6)	452.3	3.0
Wills (Recordation)	456.7	7.3	457.2	0.1
All Other	<u>1,660.3</u>	<u>2.8</u>	<u>1,611.5</u>	<u>(2.9)</u>
Total GF Revenues	\$28,121.4	1.4	\$29,646.9	5.4

Proposed Policy Changes Assumed in Revenue Forecast

HB/SB 30 revenue forecast includes two revenue generating policy-related adjustments totaling \$2,533.4 million GF and four revenue reducing policy-related adjustments totaling \$3,532.9 million GF. In total, the net tax policy actions assumed in the introduced budget reduce revenue by \$999.5 million over the biennium. All proposed tax policy actions have language in either Part 3 or Part 4 additional enactments to effectuate their implementation.

General Fund Impact of Proposed Tax Policy Actions
(\$ in millions)

	FY 2025	FY 2026	Biennium
Reduce Individual Income Tax Rates approximately 12.0 percent	(\$1,118.9)	(\$2,339.8)	(\$3,458.7)
Increase State Sales and Use Tax 90 basis points	520.1	1,299.3	1,819.4
Expand State Sales and Use Tax to Digital Downloads and Services	203.4	510.7	714.0
Double Dealer Discount for Sales and Use Tax	(10.1)	(25.2)	(35.2)
Increase nonrefundable EITC from 20 to 25 percent	0.0	(29.0)	(29.0)
Increase EISTC Cap to \$30 million	<u>(5.0)</u>	<u>(5.0)</u>	<u>(10.0)</u>
Total	(\$410.5)	(\$589.0)	(\$999.5)

*May not sum due to rounding.

- **Individual Income Tax Rate Reduction.** Assumes a reduction of \$3,458.7 million GF to reduce each individual income tax bracket rate by approximately 12.0 percent effective beginning on January 1, 2025.

Individual Income Tax Rate Reduction			
Tax Bracket	Current	Assumed	% change
\$0 to \$3,000	2.0%	1.75%	(12.5%)
\$3,001 to \$5,000	3.0%	2.65%	(11.7%)
\$5,001 to \$17,000	5.0%	4.4%	(12.0%)
\$17,001 and higher	5.75%	5.1%	(11.3%)

- **Increase State Sales and Use Tax Rate 90 Basis Points.** Assumes an increase of \$1,819.4 million GF to increase the state sales and use tax rate by 90 basis points, increasing the state sales and use rate from 4.3 to 5.2 percent. The additional revenue generated by the 90-basis point increase is dedicated entirely to the general fund, and there is no increase to the restricted dedications for K-12 education (1.375 percent) or transportation (0.9 percent) from the proposed increase. The effective date of the rate increase is January 1, 2025.
- **Expand State Sales and Use Tax to Digital Downloads and Services.** Assumes an increase of \$714.0 million GF to apply the sales and use tax to digital personal property (e.g., digital downloads) and defining taxable services to include software application services, website hosting and design, data storage, streaming services, and computer-related services. The application of the sales and use tax on taxable services is exempt if the purchaser or consumer of the service is a business. The effective date of the base expansion is January 1, 2025.

From the additional sales and use tax revenue generated by digital personal property and taxable services and deposited to the Commonwealth Transportation Fund (0.9 percent of state sales and use tax): one-half is to be distributed to the Transportation Partnership Opportunity Fund, and one-half is to be distributed to the Interstate 81 Corridor Improvement Fund until June 30, 2031, or when \$400.0 million has been deposited to the Fund.

- Double Dealer Discount for Sales and Use Tax.** Assumes a reduction of \$35.2 million to double the dealer discount for timely filing and remitting their state sales and use tax collection. Under § 58.1-622, each dealer has traditionally been allowed to retain a percentage of the first three percent of the state sales and use tax collected. Part 3 of the Appropriation Act, since June 2010, has overridden § 58.1-622 and suspended the statutory dealer discount for all dealers required to remit the tax by electronic funds transfer under § 58.1-202.1, which applies to dealers with an average monthly sales and use tax liability exceeding \$20,000. Additionally, Item 258 now requires all monthly filers to pay electronically, but the dealer discount suspension only applies to those with an average monthly liability exceeding \$20,000.

The following table lists the current dealer discount allowed to dealers with an average monthly liability less than \$20,000 on the first three percent of the state sales and use tax and the assumed increase in HB/ SB 30:

Dealer Discount State Sales and Use Tax		
Monthly Taxable Sales	Current Appropriation Act (supersedes Code)	Assumed
\$0 to \$62,500	1.6%	3.2%
\$62,501 to \$208,000	1.2%	2.4%
\$208,001 and above	0.8%	1.6%

- Increase Nonrefundable Earned Income Tax Credit.** Assumes a reduction of \$29.0 million GF to increase the nonrefundable Earned Income Tax Credit (EITC) from 20 to 25 percent of the federal Earned Income Tax Credit beginning on January 1, 2025. Virginia currently allows an individual to claim either a nonrefundable credit equal to 20 percent of the federal EITC that was claimed for the taxable year, a refundable credit equal to 15 percent of the federal EITC, or the Tax Credit for Low-Income Individuals.
- Increase Education Improvement Scholarship Tax Credit Cap.** Assumes a reduction of \$10.0 million GF to increase the Education Improvement

Scholarship Tax credit cap from \$25.0 million to \$30.0 million annually effective in FY 2025. In addition, the November GACRE revenue forecast assumes a GF reduction of \$12.0 million each year to reflect full utilization of the current \$25.0 million credit cap. Historically, taxpayers have only claimed \$13.0 million of this credit cap annually. An enactment clause in Part 4 extends the definition of an eligible student with a disability for an Education Improvement Scholarship Tax Credit that is set to expire on January 1, 2024, to January 1, 2028.

General Fund Transfers

Proposed transfers to the general fund total \$2,817.2 million over the biennium. Of this amount, \$1,239.6 million represents the standard 0.375 percent sales tax transferred from the Local Real Estate/Standard of Quality Fund for public education.

The introduced budget proposes to transfer \$805.0 million over the biennium from the Revenue Reserve Fund to the general fund. This proposed action is to align the combined balance of Revenue Stabilization and Revenue Reserve Funds to the 15 percent limitation of certified revenue under subsection E of § 2.2-1829 and subsection F of § 2.2-1831.3. During the 2022-24 biennium, the Appropriation Act raised the combined balance limit for the Revenue Stabilization and Revenue Reserve Funds to 20 percent through June 30, 2024. The combined balance of the two reserve funds is projected to exceed 15 percent in FY 2025 and FY 2026. The transfer each fiscal year is proposed to ensure the combined balance does not exceed the 15 percent limit rather than extending the temporary extension of the combined balance limit through budget language.

The budget proposes to transfer \$115.0 million from the Unclaimed Property Fund at the Department of Treasury to the general fund and proposes to use these funds for a one-time payment to reduce the unfunded liabilities of the Virginia Retirement System Teacher Retirement Plan under Direct Aid. These funds would traditionally have been deposited into the Literary Fund and appropriated by the General Assembly for allowable uses as prescribed by the Constitution of Virginia.

In addition, the budget proposes to transfer balances of \$28.0 million from the Virginia Growth & Opportunity Fund, \$2.5 million from the Virginia Department of Agriculture and Consumer Services Special Revenue Fund, and \$1.0 million from the

Department of Taxation Court Debt Collection Program Fund to the general fund. The introduced budget proposes to exempt the Office of Emergency Medical Services from making the required transfer of \$12.5 million in FY 2025 from the increased \$4 for Life fee as stated in Part 3 of Chapter 1, 2023 Acts of Assembly, Special Session I. The introduced budget proposes to defer the transfer in FY 2025 due to a shortfall in funds for local emergency medical services support and assumes the \$12.5 million transfer will resume in FY 2026 and beyond (see more details Health and Human Resources section).

Other customary transfers include the Alcoholic Beverage Control (ABC) profit transfer of \$437.2 million for the biennium, with an additional \$130.8 million in ABC profits and \$18.3 million of spirit taxes offsetting GF costs at the Department of Behavioral Health and Developmental Services for substance abuse programs. HB/SB 30 proposes to increase, from \$37.6 million to \$39.0 million, transfers to the Game Protection Fund attributable to the watercraft sales and use tax and from the portion of the general sales tax dedicated to the Fund by statute. The proposed budget also increases in transfers to the general fund of \$10.5 million related to Statewide Indirect Cost Recoveries (SICAP). The remaining transfer actions are customary transfers that have not been adjusted beyond technical updates compared to the amounts transferred in the 2023 Special Session I Amendments to the 2023 Appropriation Act.

Proposed GF Transfers, as Introduced	
(2024-26 biennium, \$ in millions)	
0.375 Percent Sales Tax – Public Education	\$1,239.6
Revenue Reserve Fund	805.0
ABC Profits	437.2
ABC/Wine to DBHDS for Substance Abuse Treatment	149.0
Unclaimed Property for Teacher Retirement	115.0
\$4 for Life	12.5
NGF Indirect Costs (SICAP)	29.2
Revert Virginia Growth & Opportunity Fund Balances	28.0
Local and Transportation Sales Tax Compliance	18.2
Unrefunded Marine Fuels	14.8
Uninsured Motorist Fees	14.8
IDEA Fund Transfer	10.0

Proposed GF Transfers, as Introduced

(2024-26 biennium, \$ in millions)

ABC Operational Efficiencies	7.7
Court Debt Collections	5.8
Redirect Communication Sales Tax for Relay Savings	4.0
Miscellaneous Other	3.6
Revert VDACS Special Revenue Fund Balances	2.5
OAG Revolving Fund Transfer	1.0
Sales Tax Transfer to Waterway Maintenance Fund	(8.0)
DMV Replace Reinstatement Fee Revenue	(5.6)
Watercraft Sales Tax to Game Protection Fund	(14.6)
Sales Tax to Game Protection Fund	(24.4)
Children's Health Insurance Program	<u>(28.1)</u>
Total	\$2,817.2

Legislative

Governor's Proposed Adjustments to Legislative

(\$ in millions)

	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$118.6	\$5.4	\$118.6	\$5.4
Base Budget Adjustments	<u>8.6</u>	<u>(0.1)</u>	<u>8.6</u>	<u>(0.1)</u>
Adjusted Base Budget	\$127.2	\$5.3	\$127.2	\$5.3
Proposed Increases	0.0	0.0	0.0	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	\$0.0	\$0.0
HB/SB 30, as Introduced	\$127.2	\$5.3	\$127.2	\$5.3

- **The Governor did not propose any changes to the Legislative Department other than typical base budget adjustments.**
- Under the Division Legislative Services, the introduced budget maintains an appropriation for the Virginia Gaming Commission, which was intended to be one-time funding in FY 2024 in Chapter 1, 2023 Special Session I.

Judicial

Governor’s Proposed Adjustments to Judicial				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$589.6	\$38.0	\$589.6	\$38.0
Base Budget Adjustments	44.7	1.1	44.7	1.1
Adjusted Base Budget	\$634.3	\$39.1	\$634.3	\$39.1
Proposed Increases	8.1	2.1	10.4	2.1
Proposed Decreases	<u>4.9</u>	<u>0.0</u>	<u>4.9</u>	<u>0</u>
\$ Net Change	\$3.2	\$2.1	\$5.4	\$2.1
HB/SB 30, as Introduced	\$637.5	\$41.2	\$639.7	\$41.2

– Supreme Court

- **Implement New Enterprise Resource Planning System.** Proposes \$1.0 million GF the first year and \$2.5 million GF the second year for software and service costs related for a new enterprise system to support central administration of the court system’s fiscal, human resource, and procurement activities. Costs are estimates pending receipt by the Office of the Executive Secretary of offers for the

proposed system. Second year amounts reflect estimated ongoing cost for the new system subscription.

- **Increase State Funding for Specialty Dockets.** Recommends \$750,000 GF the first year and \$1.5 million GF the second year to increase funding for specialty court dockets across the state. Funding is sufficient to cover a coordinator position at designated existing and planned veterans and behavioral health specialty dockets.

– **Court of Appeals of Virginia**

- **Staffing to Address Increased Workload.** Proposes \$1.4 million GF and 14 positions each year to hire additional court technologist, clerk, staff attorney, and administrative assistant positions. Positions are requested to help address increased workload resulting from legislation adopted in the 2021 General Assembly Session that expanded individuals' right to appeal.
 - This proposal is in addition to funding for three positions provided in Chapter 1, 2023 Special Session I Acts of Assembly. As the impact of the 2021 legislation continues to materialize, court staff report higher than anticipated case volume and complexity.

– **Indigent Defense Commission**

- **Increase NGF Appropriation to Accommodate Opioid Abatement Grant.** Recommends \$224,745 NGF and one position each year to recognize the agency's receipt of a grant through the Opioid Abatement Authority. The grant funding will be used to support reentry and recovery specialists in public defenders' offices.
- **Increase NGF Appropriation to Accommodate Local Supplemental Allocations.** Proposes \$1.9 million NGF and one position each year to reflect payments made by localities in support of public defenders' offices. Of the total amount, \$1.8 million each year represents local salary supplements that are now distributed by the Indigent Defense Commission, as authorized by Chapter 467, 2023 Acts of Assembly, and \$84,075 each year and one position are for an existing

paralegal position in Arlington County that supports the body-worn camera program.

Executive Offices

Governor’s Proposed Adjustments to Executive Offices				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$57.4	\$37.3	\$57.4	\$37.3
Base Budget Adjustments	4.5	2.5	4.5	2.5
Adjusted Base Budget	\$61.9	\$39.7	\$61.9	\$39.7
Proposed Increases	7.2	5.5	1.9	5.5
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$7.2	\$5.5	\$1.9	\$5.5
HB/SB 30, as Introduced	\$69.0	\$45.2	\$63.8	\$45.2

– **Office of The Governor**

- **Expand the Permitting Enhancement and Evaluation Platform.** Proposes almost \$4.6 million GF the first year to expand for greater statewide use of the Permitting Enhancement and Evaluation Platform that was recently implemented by the Department of Environmental Quality (DEQ). The DEQ system provides more transparency to the agency’s permitting processes.
- **Fund Five Artificial Intelligence Pilots.** Recommends \$600,000 GF the first year to implement five state agency artificial intelligence pilots in support of Executive Directive Number Five, which establishes the authority for the Governor’s Office of Transformation.

- **Increase Support for the Office of the Children’s Ombudsman.** Proposes \$153,927 GF and 1.0 position in each year to increase operational support for the office. Overhead costs of \$25,000 GF each year are funded as part of this proposal. The total positions in the office would increase to five and half.
- **Moves Funding for the Office of Diversity, Opportunity and Inclusion.** Recommends eliminating a sperate program for the office and transferring the funding into the main program used in the budget for the Office of the Governor. This action allows the funding for the office to be used for other purposes. A proposed budget language only change would designate \$1.4 million GF of the \$1.8 million currently allocated, which would result in \$459,544 being reallocated to other uses within the Office of the Governor.

– **Attorney General and Department of Law**

- **Increase Consumer Protection Staffing.** Proposes \$660,089 GF and 6.0 positions each year to enhance staffing in the agency’s Consumer Protection Unit in response to changes to the Virginia Consumer Protection Act (VCPA) effective July 1, 2022, that prohibit certain practices regarding the sale of substances containing THC or industrial hemp extracts. At present, the agency has only two investigators in this Unit. This proposal would provide an additional four investigators and two Assistant Attorney Generals to bring enforcement actions based on the investigators’ work.
- **Fund Additional Information Technology (IT) Positions.** Proposes \$647,850 GF and 5.0 positions each year to enhance the agency’s IT staffing in response to recommendations from the Auditor of Public Accounts to enhance agency IT and cyber security efforts.
- **Increase Rate Payer Protection Staff.** Includes \$267,437 GF and 2.0 positions each year to enhance agency consumer protection efforts regarding energy rate cases and litigation. A recent law change increased the frequency at which energy companies must submit filings from every three years, to once annually. At present, the Office of the Attorney General has only one attorney responsible for reviewing these filings.

- **Transfer Settlement Funds to Establish Youth Opioid and Vaping Prevention Programs.** Recommends \$5.0 million NGF each year to transfer to the Department of Behavioral Health and Developmental Services for two separate programs aiming to reduce youth addiction. Includes \$4.0 million each year from the Commonwealth Opioid Abatement and Remediation (COAR) Fund to establish an ongoing youth opioid prevention program and \$1.0 million each year from a multistate settlement associated with JUUL products for an annual youth vaping prevention campaign.
- **Retain Larger Balance in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund.** Proposes an annual increase of \$500,000 NGF each year in the agency’s appropriation for this fund allowing the agency to retain a larger balance from settlements negotiated by staff attorneys. At present, any balances in the fund over \$1.25 million are transferred to the general fund at the end of each fiscal year. Effectively, this language increases the agency’s operational support by \$500,000 and reduces the amount transferred to the general fund by the same amount. Fund balances vary depending on settlement activity each year, but in recent years, have exceeded the current \$1.25 million and the proposed \$1.75 million appropriation, which this proposal would establish as the transfer thresholds.
- **Authorize Fee Collection from Local Soil and Water Conservation Districts (SWCDs).** Proposes removing current budget language so that the Office can charge local SWCDs for legal services rendered. This proposal reflects a recommendation in a recent study by the Joint Legislative and Audit Review Commission (JLARC) of the Office for the Attorney General. A companion proposal under the Department of Conservation and Recreation proposes \$1,000 GF for each of the 47 SWCDs for their use to compensate the OAG for legal services.

– **Secretary of the Commonwealth**

- **Increase Staffing for Notary and Restoration of Rights.** Proposes \$169,377 GF and 2.0 positions each year to support the office’s responsibilities related to notary oversight and restoration of rights.

– **Interstate Organization Contributions**

- **Increase Funding for Annual Statewide Memberships.** Recommends \$20,000 GF each year for increased membership costs for statewide associations that include the National Governor’s Association, the National Association of State Budget Officers, and Federal Funds Information for States.

Administration

Governor’s Proposed Adjustments to Administration				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$910.5	\$3,167.1	\$910.5	\$3,167.1
Base Budget Adjustments	<u>112.7</u>	<u>9.3</u>	<u>112.7</u>	<u>9.3</u>
Adjusted Base Budget	\$1,023.1	\$3,176.4	\$1,023.1	\$3,176.4
Proposed Increases	2.5	184.6	1.9	259.1
Proposed Decreases	<u>(33.1)</u>	<u>(46.1)</u>	<u>(42.2)</u>	<u>(56.4)</u>
\$ Net Change	(\$30.5)	\$138.5	(\$40.3)	\$202.8
HB/SB 30, as Introduced	\$992.6	\$3,314.9	\$982.9	\$3,379.2

– **Secretary of Administration**

- **Increase Staffing for the Division of Executive Administrative Services.** Proposes \$174,750 GF and one position each year for the Division of Executive Administrative Services, which provides operational support for the Office of the Governor, all Cabinet offices, as well as the Office of the Lieutenant Governor.

– Compensation Board

- **Annualize Behavioral Health and Medical Treatment Positions in Jails.** Proposes almost \$1.3 million GF each year to fully fund 125 behavioral health case managers and 127 partially funded medical and treatment positions in local and regional jails. Partial funding for these positions was provided in Chapter 2, 2022 Special Session I Acts of Assembly, to support the minimum standards for mental and behavioral health services in Virginia jails endorsed by the Board of Local and Regional Jails in 2020.
- **Adjust Constitutional Officer Salaries Based on Increases in Locality Population.** Recommends \$159,889 GF each year to adjust elected constitutional officer salaries to align with local population growth, pursuant to existing budget language.
- **Establish Jail-based Substance Use Disorder Treatment Program.** Proposes \$500,000 NGF the first year to establish jail-based substance use disorder treatment programs in local and regional jails. The source of funding is the Commonwealth Opioid Abatement and Remediation Fund, which receives the state share of settlement funds with companies involved in the distribution and manufacture of opioids.
- **Recognize Projected Savings from Jail Inmate Per Diems.** Recommends reducing funding for jail inmate per diem payments by \$15.0 million GF each year, for a total appropriation remaining of \$43.7 million GF each year. The amount is estimated to be sufficient to pay all per diem payments, based on recent jail population estimates.
- **Recognize Projected Savings from Vacant Positions in Constitutional Officers' Offices.** Proposes a reduction of \$9.4 million GF the second year to funding for positions in offices of circuit court clerks, sheriffs, and Commonwealth's Attorneys, in order to reflect projected vacant positions based on recent filled position levels. The Compensation Board provides funding on a reimbursement basis, with unreimbursed funds reverting to the general fund.

- Language establishes the Constitutional Officer Reserve Fund, which the Compensation Board may use to reimburse budgeted positions for offices of circuit court clerks, sheriffs, and Commonwealth’s Attorneys should appropriated amounts be insufficient. Language also deposits \$9.4 million GF the first year from the agency’s base budget into the reserve fund and directs the Compensation Board to request additional funding if balances are insufficient to fully reimburse constitutional offices.
- **Recognize Savings from Jail Closures.** Recommends a reduction of \$15.7 million GF each year to reflect the closures of Bristol City Jail in 2023 (almost \$1.5 million GF savings each year) and Hampton Roads Regional Jail in 2024 (almost \$14.3 million GF savings each year). The amounts previously covered personnel and operational costs at the two jails.
 - The proposed budget for the 2022-2024 biennium (SB 29) proposes a reduction of \$2.2 million GF in FY 2024 to reflect the two jail closures, including almost \$1.5 million for Bristol City Jail and \$776,393 (two months of savings) for Hampton Roads Regional Jail.
- **Recognize Savings from Unlaunched Pilot Program.** Proposes to remove \$75,000 GF each year first provided in Chapter 854, 2019 Acts of Assembly, for the Williamsburg and James City County Circuit Court Clerk’s office to conduct a pilot program related to foreclosure listings. According to the Department of Planning and Budget, the pilot was never launched.

– **Department of General Services**

- **Supplant General Fund Positions Costs with Nongeneral Fund Support in the Division of Purchases and Supply.** Recommends a reduction of \$2.0 million GF and a corresponding increase of \$2.0 million NGF both years to reflect a supplant of general fund with excess revenues from the eVA Procurement Program (\$1.2 million NGF each) and the Statewide Vendor Contract Rebate funds (\$800,000 NGF each year).

- **Reduce Fees Charged for Statewide Services Provided to State Agencies.** Proposes a reduction of \$1.1 million NGF each year to reflect lower revenue collections from other state agencies due to a decrease in two of the Department’s central service fees. These fees include a proposed reduction in the statewide fleet vehicle operational rate to lease a fleet vehicle from \$120 to \$110 per month, and a decrease in the annual fee charged on single-agency leases by the Division of Real Estate Services from four to three percent. Companion budget proposals in Central Appropriations reflect an estimated annual savings of \$400,000 GF per year for the general fund share of these proposed rate decreases.
- **Enhance Capital Asset Management Capabilities.** Proposes \$500,000 GF the first year for the Department’s planning costs to make system upgrades to improve the Commonwealth’s capabilities to plan and manage its capital assets. The two systems currently used for these purposes were created in-house and are in need of upgrades and potentially replacement.
- **Adjust Rent Plan Appropriation to Reflect Agency Moves.** Proposes a decrease of almost \$1.2 million NGF the first year and almost \$7.2 million NGF the second year to reflect anticipated changes in the Agency’s rent plan revenue. Changes to the rent plan are largely driven by pending relocations of state agency tenants out of the Monroe Tower, anticipated to be complete by FY 2026. A previously authorized capital project to build a new state office building has been delayed by the administration, which could require use of more privately leased office space for state agencies. Current budget language limits any such leases to only three years. A companion amendment in Central Appropriations funds the net cost of \$1.3 million GF over the biennium to reflect an increase in the rent rate from \$15.96 to \$18.70 per gross square foot in recognition of the magnitude and uncertainty of agency relocations anticipated through the next biennium.

– **Department of Human Resource Management**

- **Implement One-Time Fee for Pageup Recruitment Management System.** Proposes a savings of \$245,970 GF in the first year due to the one-year

implementation of a fee on entities who utilize the agency's new statewide recruitment management system for job postings.

- **Purchase New Software for the Statewide Performance Evaluation Process.** Recommends \$281,289 GF the first year and \$160,000 GF the second year to purchase performance management software to use in automating the state's annual evaluation process. The second-year amount reflects ongoing software maintenance and renewal fees.
- **Adjust Nongeneral Fund Appropriation for Cardinal Human Capital Management (HCM) Costs.** Proposes \$2.1 million NGF each year to reflect the agency's expenses related to the administration of employee human resource data. Corresponding amendments in the Department of Accounts and Central Appropriations reflect the overall cost changes for the operation of the Cardinal HCM system.

– **Administration of Health Insurance**

- **Adjust Funding for the State Health Benefits Program.** Proposes \$180.0 million NGF the first year and \$255.0 million NGF the second year to reflect the increase in payments for the State Health Benefits Program. The State's actuary reported an estimated increase in health insurance costs to 9.3 percent each year. The Health Insurance Fund has sufficient reserves to subsidize the rates such that the actuarially determined rates are 6.3 percent the first year and 4.0 percent the second year. A corresponding amendment in Central Appropriations funds the state's employer share of the increase, which is \$39.6 million GF the first year and \$66.7 million GF the second year.

– **Department of Elections**

- **Fund an Additional Position for List Maintenance.** Recommends \$148,991 GF and one position the first year and \$161,397 GF and one position the second year to assist in overseeing voter list maintenance.

– **Virginia Information Technologies Agency**

- **Adjust Internal Service Fund Appropriation to Reflect Actual State Agency Costs.** Proposes a reduction of \$41.1 million NGF the first year and \$45.4 million NGF the second year to update the agency’s internal service fund appropriation. This adjustment reflects the impact on vendor pass-through payments based on the latest forecast of state agency utilization of the provided services.
- **Recognize Savings from Contractor Conversions to Full-Time Staff.** Recommends a reduction of \$323,076 in NGF appropriation each year to realize agency savings from converting 18.0 positions that are currently contractors to full-time employees. These include two positions in business platform solutions, three positions in customer experience, 10 positions in enterprise solutions, and three positions in finance.
- **Adjust Appropriation to Account for Vacancy Savings.** Proposes a reduction of \$2.2 million NGF each year to recognize savings from holding positions vacant.

Agriculture and Forestry

Governor’s Proposed Adjustments to Agriculture and Forestry				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$72.8	\$61.8	\$72.8	\$61.8
Base Budget Adjustments	6.5	2.2	5.8	2.2
Adjusted Base Budget	79.3	64.0	78.6	64.0
Proposed Increases	6.3	5.6	2.0	5.9
Proposed Decreases	<u>(1.2)</u>	<u>0.0</u>	<u>(1.2)</u>	<u>0.0</u>
\$ Net Change	\$5.1	\$5.6	\$0.9	\$5.9
HB/SB 30, as Introduced	\$84.4	\$69.6	\$79.4	\$69.9

– Department of Agriculture and Consumer Services

- **Continue Chapter 1 Funding Initiatives.** Proposes funding to continue Chapter 1, 2023 Acts of Assembly, Special Session I, actions in the 2024-26 biennium.
- **Virginia Wine Promotion Fund.** Proposes a reduction of \$144,314 GF each year in the deposit to the Virginia Wine Promotion Fund to reflect the liter tax collections for sales of wine produced by Virginia farm wineries. A total of \$2.3 million GF will be deposited to the fund each year for research and promotion of Virginia wine products.
- **Virginia Spirits Promotion Fund.** Recommends a deposit of \$1.2 million GF each year to the Virginia Spirits Promotion Fund for marketing distilled spirits produced in Virginia. This is the first biennium of ongoing support for the fund.
- **Budget Reduction Strategies.** Proposes several strategies to generate one-time and ongoing GF budget savings.
 - **Transfer nongeneral fund balances.** Transfers \$2.5 million GF in the first year from unobligated special fund balances in charitable registration and health spa regulation to the general fund.
 - **Reduce funding for farmland preservation.** Captures savings of \$437,500 GF each year and reduces support for local purchase of development rights programs. The balance remaining is \$437,500 GF each year.
 - **Remove funding for international trade plan.** Captures savings of \$250,000 GF each year from funding for the implementation of the international trade plan. A balance of \$1.2 million GF each year remains to support international marketing activities.
- **Fund Agricultural Technology Research Projects.** Proposes \$2.0 million GF in the first year for competitive grants in precision farming, livestock monitoring, aquaculture, indoor farming, and other areas of agricultural technology research. Agricultural technology applies software and hardware to enable higher or more cost-effective production of products. Budget language

allows unexpended balances to be carried forward to the second year of the biennium.

- **Fund the Governor’s Agriculture and Forestry Industries Development Fund.** Recommends an additional \$2.0 million GF the first year for deposit to the Governor’s Agriculture and Forestry Industries Development Fund to support economic development incentive grant payments.
- **Increase Support for Commodity Services Inspections.** Proposes to increase support for the various agricultural commodity inspection programs by \$1.4 million NGF and 10.0 positions each year. The funding and positions will be supported by revenue from the existing fee payments for inspection services.
- **Provide Funding for Meat and Poultry Inspections.** Recommends Increasing support by \$266,130 GF and 5.0 positions for inspection services at Virginia slaughter and meat processing facilities. The state funding will be matched by federal support for the US Department of Agriculture cooperative program.
- **Decrease Authorized Position Level.** Proposes to reduce the department’s number of authorized positions by 5.0 full time equivalent positions. Under the proposal, the department would maintain 610.0 positions.

– Department of Forestry

- **Budget Reduction Strategies.** Proposes several strategies to generate one-time and ongoing GF budget savings.
 - **Virginia Natural Resources Leadership Institute.** Reduces \$50,000 GF in each year of the biennium. The leadership institute, which is a professional development program for natural resources careerists, is conducted by the University of Virginia Institute of Engagement and Negotiation.
 - **Expansion of Broadband Upgrades.** Captures savings of \$275,000 GF each year from support for internet connectivity upgrades for department field offices.

- **Adds Support for Carbon Life-Cycle Assessment.** Proposes \$100,000 GF in the first year for technical assistance to complete the development of best management practices for the sustainable harvesting of biomass, including a life-cycle carbon analysis, as directed by Chapter 803, 2023 Acts of Assembly. The legislation restores biomass to Virginia’s renewable portfolio standard, and it allows sustainably harvested biomass to qualify for Renewable Energy Credits.
- **Remove Derelict Fire Towers.** Proposes \$760,000 GF the first year and \$600,000 GF the second year to complete the inventory of fire observation towers in the eastern and western regions of the Commonwealth and begin dismantling the towers in the previously inventoried central region. The department anticipates removing three towers annually given the complexity of planning and approval, and there are an estimated 40 to 50 towers statewide requiring removal.
- **Increase Nongeneral Fund Appropriation.** Recommends \$2.0 million NGF each year to better reflect anticipated fund revenue, expenditures, and balances.

– **Virginia Racing Commission**

- **Fund Virginia Breeders Fund.** Increases the appropriation for the Virginia Breeders Fund by \$1.9 million NGF the first year and \$2.2 million NGF the second year to align with anticipated revenue generated through wagers on historical horse racing. Of the money wagered on historical horse racing, 0.25 percent is directed to the fund.

Commerce and Trade

Governor’s Proposed Adjustments to Commerce and Trade				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$803.4	\$262.7	\$803.4	\$262.7
Base Budget Adjustments	(143.7)	1.2	(268.5)	1.2
Adjusted Base Budget	\$659.6	\$263.4	\$534.9	\$263.9
Proposed Increases	152.0	13.9	6.9	13.9
Proposed Decreases	(56.9)	0.0	(87.0)	0.0
\$ Net Change	\$95.2	\$13.9	(\$80.1)	\$13.9
HB/SB 30, as Introduced	\$754.8	\$277.8	\$454.8	\$277.8

– Economic Development Incentive Payments

- **Increase Business Ready Sites Program Fund.** Proposes an additional \$95.5 million GF in FY 2025 and a reduction of \$4.5 million GF in FY 2026 for the Business Ready Sites Program Fund. The total funding available will be \$150.0 million GF in the first year and \$50.0 million GF in the second year for improvements to economic development sites.
- **Fund the Virginia Economic Development Incentive Grant.** Recommends \$1.0 million GF the first year and \$1.3 million GF the second year for the Virginia Economic Development Incentive Grant Fund to meet projected grant payment obligations.
- **Increase Support for the Virginia Business Ready Sites Acquisition Fund.** Proposes \$25.0 million GF in FY 2025 for the Virginia Business Ready Sites Acquisition Fund. Budget language exempts the acquisition program from

the Code of Virginia provisions related to the Department of General Services' capital outlay administration and appropriation act capital outlay requirements.

- **Adjust Appropriations for Custom Grants.** Recommends a net decrease of \$2.9 million the first year and \$13.1 million the second year for removal, adjustment, and additional appropriation to reflect updated economic incentive payments for custom grants.
- **Develop Inland Port Facility.** Proposes \$10.0 million in the first year to continue initial engineering and design, property acquisition, and construction to support the establishment of an inland port within the Mt. Rodgers Planning District. The total project cost is preliminarily estimated at \$55.0 million.
- **Fund the Virginia Investment Performance Grant.** Includes an additional \$290,000 the first year and \$826,500 GF the second year to reflect the updated payment schedule for performance grants. The base budget funding is \$2.7 million GF each year.

– Department of Housing and Community Development

- **Eliminate Funding for Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Industry Cluster.** Proposes a reduction of \$18.0 million GF each year to remove funding for the regional cluster initiative.
- **Capture Savings from Go Virginia Program.** Recommends a one-time transfer to the general fund of \$28.0 million NGF from the unobligated balances of the Growth and Opportunity Fund under the Go Virginia Program.
- **Decrease Funding for Enterprise Zone Grant Act.** Proposes a reduction of \$1.5 million GF each year to reflect declining utilization of the Enterprise Zone Grant Fund. A balance of \$14.7 million GF each year remains in the grant program.
- **Reduce Funding for Virginia Telecommunications Initiative.** Proposes a reduction of \$29.7 million GF the first year and \$49.7 million GF the second year for the Virginia Telecommunications Initiative. General fund support for broadband expansion will be reduced by one-half in the first year and eliminated

in the second year. Federal resources will be available; however, federal funding may be less flexible than state support.

- **Increase Support for the Industrial Revitalization Fund.** Recommends \$4.0 million GF in the first year to be deposited to the fund for removal or remediation of derelict structures.
- **Fund the Early Learning Capital Incentive Program.** Proposes \$25.0 million GF in the first year to establish an early learning capital incentive fund to provide grants to increase the supply of quality early learning spaces in childcare and early learning deserts. The competitive awards will be prioritized on increasing capacity in areas of greatest need. Priority will be given to higher education institutions offering programs under certain classification of instruction codes. The program will be administered by the Department in conjunction with the State Council of Higher Education for Virginia and the Department of Education, and each agency may use up to three percent of the funding for reasonable administrative expenses.
- **Provide Funds for the Center for Rural Virginia.** Recommends \$350,000 GF each year for the Center for Rural Virginia and renaming the center the Senator Frank Ruff Center for Rural Virginia. A total of \$445,000 GF will be available each year for the center.
- **Provide Operational Support for the Community Development Financial Institutions Fund.** Proposes \$150,000 GF and one position each year to support administration of the fund. No additional resources are provided to further capitalize the fund.
- **Transfer Funding for Housing Young Adults.** Proposes to transfer \$564,000 GF each year to the Department of Social Services to provide housing support services to young adults between the ages of 18 and 21 who are transitioning out of foster care.
- **Adjust Position Level.** Proposes a reduction of 29.0 GF full-time equivalent positions in each year.

- **Reduce Supplemental Funding for Specific Planning District Commissions.** Recommends a reduction of \$250,000 GF in each year from supplemental broadband funding for the Virginia Coalfield Economic Development Authority and redirects the remaining funding to support the operations of the Virginia Coalfields Expressway Authority.

– **Department of Energy**

- **Nongeneral Fund Appropriation Increases.** Recommends an appropriation adjustment totaling \$13.7 million NGF each year to provide for anticipated federal grant awards and expenditures.
- **Provide Support for the Virginia Power Innovation Fund.** Proposes a one-time deposit of \$6.0 million GF to the fund for research and development of innovative energy technologies.
- **Fund Additional Positions.** Recommends \$250,000 GF each year to support three research analysts and an economic development coordinator position. State support will be supplemented with federal funding for the positions.

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

- **Supplant General Fund Support for Executive Director Compensation.** Recommends a reduction of \$170,591 GF and corresponding increase of \$170,591 NGF each year to supplant general fund support for the Executive Director position with nongeneral fund resources.
- **Reduce Support for Business One Stop.** Proposes a reduction of \$417,000 GF each year for the Business One Stop program. The program would be supported by the remaining \$83,000 GF budget.

– **Fort Monroe Authority**

- **Provide Funds for the Public Works Contract.** Recommends \$318,981 GF the first year and \$359,982 GF the second year to maintain and operate water and wastewater systems at Fort Monroe.

- **Fund Critical Tree Maintenance.** Proposes \$93,654 GF in the first year for preventative tree removal.

– **Virginia Economic Development Partnership**

- **Eliminate Off-shore Wind Industry Supply Chain Program.** Proposes a reduction in the wind industry supply chain program of \$2.5 million GF each year.
- **Establish Virginia Taiwan Office.** Recommends \$500,000 GF each year to support operations of the Virginia-Taiwan Trade Office to serve as the official representation of the Commonwealth in Taiwan and to promote and offer economic development and trade services.
- **Add Funding for the Virginia Office of Education Economics.** Proposes \$1.2 million GF the first year and \$1.5 million GF the second year to increase capacity for the Virginia Office of Education Economics to meet statutory mandates for the office and workload demands.
- **Launch Innovative Framework for Economic Growth.** Recommends \$2.0 million GF in the first year and \$2.3 million GF the second year to support strategic initiatives focused on ecosystem building, sector expertise, and collaboration to accelerate economic growth in the Commonwealth.
- **Fund Business Ready Sites Administration.** Includes \$750,000 GF each year to support additional staff and contract resources to manage the site development and acquisition programs.
- **Eliminate Virginia Talent Accelerator Support.** Recommends a reduction of \$735,000 GF support each year for recruitment and training services committed to a specific project that is not proceeding at this time.

– **Virginia Tourism Authority**

- **Remove Advertising Requirements.** Removes the budget language requirement to partner with the Virginia Association of Broadcasters for advertising.

- **Fund Carter Family Fold.** Recommends \$300,000 GF in the first year to develop a marketing and promotional campaign to increase visitation to the Carter Family Fold.
- **Provide Support for Spearhead Trails.** Proposes an increase of \$800,000 GF in the first year for the Spearhead Trails initiative in Southwest Virginia.

– **Virginia Innovative Partnership Authority**

- **Fund the Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network.** Proposes \$100.0 million GF the first year to establish the Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network. Directs up to \$55.0 million to the University of Virginia’s Manning Institute for Biotechnology, up to \$30.0 million to the Virginia Tech Patient Research Center, and up to \$15.0 million for the Virginia Commonwealth University’s Medicine for All Institute. An advisory board is proposed to review and make recommendations, and the institutions will enter into Memorandums of Understanding prior to the release of funds.

Public Education

Governor’s Proposed Adjustments to Public Education				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$9,309.3	\$2,326.7	\$9,309.3	\$2,326.7
Base Budget Adjustments	5.2	4.3	5.2	4.3
Adjusted Base Budget	9,314.5	2,331.0	9,314.5	2,331.0
Proposed Increases	580.4	503.0	641.0	24.0
Proposed Decreases	<u>529.1</u>	<u>24.0</u>	<u>518.4</u>	<u>145.0</u>
\$ Net Change	\$51.4	\$480.0	\$122.6	\$206.0
HB/SB 30, as Introduced	\$9,365.9	\$2,811.0	\$9,437.1	\$2,537.0

Includes Secretary of Education, Virginia Department of Education, Direct Aid, and Virginia School for the Blind and Vision Impaired.

– Secretary of Education

- Competitive Teacher Pay Report.** Recommends that the Secretary of Education convene a workgroup of at least one national expert, researcher, school board representative, educator, business leader, parent, and other stakeholders that the Secretary deems appropriate to make recommendations on: (1) the regional, comparative, and differentiated pay analysis and definition that competitive compensation should vary across the Commonwealth to reflect regional differences, role types, competitive degree opportunities, and teacher responsibilities; (2) how teacher pay impacts student achievement; (3) the criteria, implementation plan, and best practices of a teacher compensation model that includes student outcomes. The report includes references to the Teacher Pay Report authorized in Chapter 725, 2023 Acts of Assembly and requires the

Secretary to report these recommendations to the House Committee on Education and the Senate Committee on Education and Health by October 1, 2024.

– **Direct Aid to Public Education**

Direct Aid changes include rebenchmarking updates for the biennium and proposed policy changes to Direct Aid and supplemental programs. There are several proposed actions that supplant nongeneral funds to support certain Direct Aid initiatives. The following table provides total funds and notes when nongeneral funds are provided.

Summary of Proposed Actions for Direct Aid to Education			
Total State Funds \$ in millions (includes General Fund and nongeneral funds*)			
	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
<u>Rebenchmarking Updates</u>			
Update Student Enrollment & Characteristic Data			
Update Student Enrollment Projections	(\$107.5)	(\$143.3)	(\$250.8)
Update Special Education Child Count	52.3	52.8	105.1
Update CTE Course Enrollments	4.3	4.3	8.6
Update SOL Test Failure Rate and Free Lunch Eligibility Rates	8.3	8.4	16.7
Update English Learner Enrollment Projections	3.8	12.6	16.4
Update Remedial Summer School Projection	4.5	2.5	7.0
Update Lottery, Incentive, and Categorical Accounts	<u>76.4</u>	<u>86.4</u>	<u>162.8</u>
Subtotal: Update Student Enrollment & Characteristic Data	\$55.3	\$36.9	\$92.2
Update Prevailing Cost Data			
Update Funded Instructional and Support Position Salaries	\$231.6	\$237.3	\$468.9
Update Support Position Ratio	(14.4)	(13.7)	(28.1)
Update Other (non-personnel) support costs	400.7	406.9	807.6
Update Textbook Per Pupil Amount	19.9	20.1	39.9
Update Transportation Costs	64.7	66.5	131.2
Update Health Care Premiums	16.6	17.0	33.6
Update Federal Revenue Deduction	(193.6)	(194.4)	(388.0)
Update VRS Fringe Benefit Rates	<u>(57.2)</u>	<u>(57.2)</u>	<u>(114.4)</u>
Subtotal: Update Prevailing Cost Data	\$490.0	\$504.9	\$995.9
Other Updates			

Summary of Proposed Actions for Direct Aid to Education

Total State Funds \$ in millions (includes General Fund and nongeneral funds*)

	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Update Local Composite Index for the 2024-26 biennium	(\$30.8)	(\$30.5)	(\$61.3)
Update School Age Population	0.3	0.4	0.7
Update Lottery Proceeds Projection (Supplant \$2.2 million NGF for GF)	<0.0	<0.0	<0.0
Update Sales Tax Projections	<u>(47.0)</u>	<u>(16.0)</u>	<u>(63.0)</u>
Subtotal: Other Updates	(\$77.4)	(\$46.2)	(\$123.6)
Total All Rebenchmarking Updates	\$468.7	\$495.6	\$964.5
Remove FY 2024 One-Time Spending	<u>(\$586.8)</u>	<u>(\$586.8)</u>	<u>(\$1,173.6)</u>
Total Rebenchmarking After Removal of One-Time Spending	(\$117.6)	(\$91.2)	(\$209.1)
 <u>Policy Changes - Direct Aid for Public Education</u>			
Support Expanded Reading Specialist Staffing Standard	\$30.5	\$30.7	\$61.2
Eliminate Supplemental Payment in Lieu of Sales Tax on Food and Personal Hygiene Products	(114.5)	(114.5)	(229.0)
Update Sales Tax Revenues for Base Expansion (Digital Personal Property and Digital Services)	23.9	61.8	85.7
School Construction Fund (NGF from Casino Gambling Proceeds)	80.0	80.0	160.0
Increase Funding for College Partnership Laboratory Schools	30.0	30.0	60.0
1% Bonus for Instructional and Support Positions in FY 2025	53.0	0.0	53.0
2% Salary Increase for Instructional and Support Positions in FY 2026	0.0	122.8	122.8
Teacher Retirement (Supplants \$150.0 M GF with NGF from Literary Fund))	0.0	0.0	0.0
Reduce Unfunded Liabilities of Teacher Retirement Plan (includes \$235.0 million NGF from Literary Fund)	350.0	0.0	350.0
Supplemental Support for Accomack and Northampton	0.8	0.8	1.6
Redirect VPI and Early Childhood Education Nonparticipation to Other Early Childhood Programs at Department of Education	(53.0)	(53.7)	(106.7)
Remove Cap on Supplementary Basic Aid Payments	1.8	1.7	3.5
Diploma Plus Grants	<u>20.0</u>	<u>20.0</u>	<u>40.0</u>
Subtotal, Direct Aid Policy Changes	\$424.3	\$180.8	\$605.1
 <u>Policy Changes - Supplemental Education</u>			
Increase Communities in Schools Funding	\$0.5	\$0.5	\$1.0

Summary of Proposed Actions for Direct Aid to Education

Total State Funds \$ in millions (includes General Fund and nongeneral funds*)

	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Increase Vision Screening Grant Funding	0.2	0.2	0.4
Reach Virginia	0.6	0.0	0.6
Virginia Holocaust Museum	0.3	0.1	0.4
Dual Enrollment Credentials (transferred from SCHEV)	0.1	0.1	0.2
Grow Your Own Teacher Program (transferred from SCHEV)	<u>0.2</u>	<u>0.2</u>	<u>0.5</u>
Subtotal, Supplemental Education Policy Changes	1.9	1.1	3.0
Total Rebenchmarking and Policy Changes	\$308.3	\$90.7	\$399.0

* Amounts primarily assume General Fund, unless noted with NGF amounts in the table description.
 Note: Table may not sum due to rounding.

– **State’s Share of Biennial Rebenchmarking**

During the biennial budget process, the Department of Education updates, or rebenchmarks, the total cost of maintaining a public education system that meets the Standards of Quality and costs for other K-12 programs. Rebenchmarking updates are primarily based on student enrollment projections and historic cost data reported by school divisions. Sales tax and lottery proceed projections also impact these updates, as those revenues are used to offset a portion of the costs. Costs are shared between the state and localities based on the Local Composite Index of Ability to Pay (LCI), which is also updated during biennial rebenchmarking.

Total costs for rebenchmarking for the 2024-2026 biennium are \$964.5 million. In prior updates, one-time funds designated for Direct Aid were used to offset expected rebenchmarking costs. In FY 2024, one-time costs were larger than in prior years and totaled \$586.8 million. This amount included \$177.4 million in rebenchmarking hold harmless payments due to the COVID pandemic and \$418.4 million in one-time flexible per pupil funding to support learning loss, implementation of the expansion of reading specialists, and other operational support. After removing the one-time funds across the biennium to offset the total benchmarking costs, the final amount results in a reduction of \$209.1 million for the biennium to the base amount for Direct Aid.

The larger costs for rebenchmarking are primarily a result of increases in SOQ funded salaries that occurred in the prior biennium and growth in non-personnel support costs. These costs are offset by several declines in costs, including the expected decrease in student enrollments and the removal of costs associated with the pandemic that were provided through federal COVID relief funds.

- **Increases.** Includes \$1,880.7 million in increased costs for the biennium. Major factors include:
 - **Non-Personnel Support Costs.** Updates non-personnel costs by \$807.6 GF million over the biennium. The large increase is a primarily a result of: (1) increased costs over the prior biennium due to inflation and the response to COVID pandemic learning loss and (2) lower non-personnel costs during the last rebenchmarking process that used FY 2020 expenditure data, which had reduced expenditures for the year due to mandatory school closings and virtual settings as a result of the pandemic.
 - **Funded Instructional and Support Position Salaries.** Includes an increase of \$468.9 million GF over the biennium to update the prevailing salary levels from 2022-2024 to 2024-2026. Funded salaries grew between 12.1 percent for secondary principals to 15.8 percent for secondary instructional aides. The funding amounts also include the annualized cost of the two percent salary increase authorized on January 1, 2024.

2024-2026 Funded Instructional Position Salaries			
	<u>2022-2024</u>	<u>2024-2026</u>	<u>% Change</u>
Elementary Level			
Teachers	\$53,996	\$61,514	13.9%
Assistant Principals	\$75,432	\$84,990	12.7%
Principals	\$93,869	\$105,277	12.2%
Secondary Level			
Teachers	\$56,977	\$65,655	15.2%
Assistant Principals	\$81,093	\$91,978	13.4%
Principals	\$102,844	\$115,271	12.1%
Instructional Aides	\$21,304	24,673	15.8%

- **Transportation Costs.** Updates transportation costs by \$131.2 million GF over the biennium. Similar to the growth in non-personnel costs, the large increase is primarily a result of inflationary growth, increased costs as a result of the COVID-pandemic, and the lower cost estimate based on FY 2020 expenditure data used during the last rebenchmarking process.
- **Special Education Costs.** Increases special education costs by \$105.2 million GF over the biennium as a result of the December 1, 2022 Special Education child count increasing. Similar to the growth in non-personnel and transportation costs, the Special Education child count on December 1, 2020 used in the prior biennium was impacted by the COVID-19 pandemic.
- **Update Incentive, Categorical, and Lottery Accounts.** Adds \$162.8 million over the biennium to reflect various adjustments to incentive, categorical, and Lottery-funded accounts that are linked to funding factors, such as ADM enrollment or Basic Aid per pupil costs and student participation rates. A large portion of the increase is attributable to growth in free lunch participation in 2019 from 34.5 percent of the school age population to 37.6 percent in 2022, which increases the At-Risk Add On formula funding.
- **GF Decreases.** Saves \$916.5 million GF over the biennium. Major factors include:
 - **Average Daily Membership (ADM) Projections.** Includes a reduction of \$250.8 million GF over the biennium, reflecting student enrollment projections estimated to total 1,212,152 in unadjusted ADM in FY 2025 and 1,209,772 in FY 2026. This amount is a decline of 2,323 in FY 2025 from the FY 2024 updated projection in the caboose bill (HB29/SB30) of 1,214,475. An additional decline of 2,380 students is projected from FY 2025 to FY 2026. The total expected student loss over the next biennium is 4,702 students.
 - **Federal Revenue Deduct.** Increases the federal revenue deduct by \$388.0 million GF over the biennium. The deduct is intended to account for federal funding that pays for a portion of school division support costs and is

higher for 2024-2026 due to school divisions using COVID relief funds to pay for higher support costs during the pandemic. The capped maximum federal deduction per pupil amount is \$609 this biennium compared to \$197 per pupil in 2022-2024 biennium.

- **Update Local Composite Index.** Reduces funding for the composite index of local ability-to-pay by \$30.8 million GF the first year and \$30.5 million GF the second year based on biennial recalculation used to distribute funding to local school divisions.
- **Funds for Retirement.** Reduces funding for teacher retirement by \$59.8 million GF the first year and \$59.8 million GF the second year to reflect a change in the employer contribution rate to 15.23 percent.
- **Sales Tax Revenues for Public Education.** Reduces net funding to local school divisions from the dedicated K-12 sales tax revenues from the one and one-eighth cent portion of the state sales tax by \$47.0 million GF the first year and \$16.1 million GF the second year based on the November 2023 sales tax forecast. This net amount represents the required local share after the Basic Aid amount is adjusted to backfill the state's share for the loss in sales tax.

– **Proposed Policy Changes and Program/Initiatives Changes**

- **Fund the State's Share of a One Percent Bonus the First Year.** Provides \$53.0 million GF the first year to support a one percent bonus for instructional and support positions.
- **Fund the State's Share of a Two Percent Salary Increase the Second Year.** Provides \$122.8 million GF the second year to support a two percent salary increase. School divisions can receive a prorated portion of the state's share of the 2.0 percent salary increase if divisions provide at least an average salary increase of 1.0 percent the second year.
- **Proposed Teacher Retirement Actions.** Recommends directing \$385.0 million NGF and \$115.0 million GF the first year and \$150.0 million NGF the second year to address two teacher retirement funding initiatives. The

nongeneral fund revenues are from the Literary Fund and divert cash from the fund. Because of these proposed diversions, funding would not be available to issue additional school construction loan funds during the 2024-2026 biennium. The Department of Treasury and Education advised the Governor and General Assembly, in the fall of 2022, to end the diversion of cash from the Literary Fund in order to meet the Constitutional requirement of an \$80.0 million asset balance in the Literary Fund. The General Assembly ended the practice in the 2022-2024 biennial budget.

- **School Employee Retirement Contributions.** Directs \$150.0 million from Literary Fund revenues each year to offset a portion of the General Fund share of school employee retirement costs.
- **Teacher Retirement Plan Unfunded Liabilities.** Proposes a one-time payment of \$350.0 million in FY 2025 to reduce unfunded teacher retirement plan liabilities. Of this amount, \$235.0 million the first year is directed from the Literary Fund and \$115.0 million GF is provided from a proposed transfer in Part 3 from the Unclaimed Property Fund to the General Fund. Money from the Unclaimed Property Fund would have been deposited to the Literary Fund and spent in accordance with the Constitutional provisions.
- **Sales Tax Revenue Policy Actions.** Proposes to eliminate the supplemental General Fund payment on sales tax on food and to partially offset the removal with the proposed sales tax revenue base expansion to include digital personal property and taxable services. The net action results in a decrease of \$90.6 million GF the first year and \$52.7 million GF the second year for a total decrease of \$167.8 million GF over the biennium to local school divisions after accounting for the state Basic Aid offset.
- **Eliminate Supplemental General Fund Payment in Lieu of Sales Tax on Food and Personal Hygiene Products.** Proposes to remove the payment in lieu of sales tax on food and personal hygiene products, reducing funding by \$114.5 million GF each year after backfilling the state's share of Basic Aid payments. Adds notwithstanding language to exempt the state from

providing an amount equal to the revenue that would have been collected from the sales and use tax imposed on food purchased for food and personal hygiene products to localities as authorized in §58.1-611.1 C. of the Code of the Virginia.

- Update Sales Tax Revenues for Assumed Sales Tax Policy Changes.**
 Includes an increase of \$23.9 million GF the first year and \$61.8 million GF the second year to reflect the net increase in dedicated K-12 sales tax revenue due to the inclusion of taxable digital services and digital personal property in the tax base. This accounts for the Basic Aid offset from the increased sales tax revenue.

The introduced budget also assumes a 90-basis point increase in the state sales tax rate, but the increase as proposed exempts any increase to the dedicated K-12 sales tax revenue distributions.

Sales Tax Revenue Policy Actions		
(\$ in millions)	FY 2025	FY 2026
K-12 Sales Tax: Expand Base for Digital Products & Taxable Services	\$53.6	\$138.9
Basic Aid Offset *	<u>(29.7)</u>	<u>(77.0)</u>
Net Impact of Sales Tax Policy Changes	\$23.9	\$61.9
Policy: Remove Supplemental Payments in Lieu of Grocery Tax	(\$257.2)	(\$257.2)
Basic Offset *	<u>\$142.6</u>	<u>\$142.6</u>
Net Impact of Remove Supplemental Payments in Lieu of Grocery Tax	(\$114.6)	(\$114.6)
Total Net Impact to Divisions (Tax-Related Policy Changes)	(\$90.7)	(\$52.7)

- College Partnership Laboratory Schools.** Recommends \$30.0 million GF each year to support the College Partnership Laboratory Schools Fund. Money in the Fund may be used for establishing or supporting college partnership laboratory schools. Removes budget language limiting the eligibility to public four-year higher education institutions, and allows broader participation as defined in

§23.1-349.1 of the Code of Virginia. This includes a public institution of higher education; a public higher education center, institute, or authority; or a nonprofit, private institution eligible to receive the Tuition Assistance Grant.

- **Support Expanded Reading Specialist Staffing Standard.** Provides \$30.5 million GF the first year and \$30.7 million GF the second year to support the expansion of the reading specialist staffing standard in grades four through eight as required by Chapter 645 of the 2023 Acts of Assembly. Language provides flexibility for school divisions to employ other staff, such as reading coaches or other instructional staff who are working towards obtaining the training and licensure requirements to fulfill the reading specialist staffing standards.
- **Diploma Plus Program.** Proposes \$20.0 million GF each year to support the attainment of industry recognized credentials among high school students, as identified by the Virginia Office of Education Economics (VOEE) Top Jobs List. Authorizes the Department of Education to deposit up to \$2,000 per eligible student into a Diploma Plus account.

Funds may be used for costs associated with Department of Education approved programs including tuition, fees, materials, transportation, or other associated costs. Of the amount provided, up to \$200,000 each year may be transferred to the Department to support start-up and operating costs. Any unobligated balance shall be reappropriated for expenditure in the next year for the program.

Eligible students must be a resident of Virginia, enrolled in grades 9 through 12 in Virginia, and have not received a previous grant. Students and parents must sign an agreement with the Department of Education to complete an entire industry-recognized credential pathway and priority shall be given to students approaching or in their junior year of high school. At least 25 percent of the annual appropriation shall be awarded to students who are eligible for free or reduced-price lunch or have a family income at or below 300 percent of the federal poverty level.

- **Remove Cap on Supplemental Basic Aid Payments Applicable to Rappahannock School Division.** Proposes to remove the cap on supplemental basic aid payments made to divisions pursuant to Section 22.1-98.2, Code of Virginia, notwithstanding the third enactment of Chapter 589, 2008 Acts of Assembly, resulting in an increase of \$1.8 million GF the first year and \$1.7 million GF the second year to Rappahannock County Public Schools.
- **Early Childhood Care and Education.** The Governor's introduced 2024-2026 budget proposes an additional \$121.2 million GF and \$39.0 million in remaining federal ARPA State and Local Fiscal Recovery Funds (SLFR) the first year and \$184.3 million GF the second year for early childhood care and education. Most of this funding is proposed to maintain a portion of the early childhood education slots established using federal pandemic relief funds that will no longer be available during FY 2025. In addition, several recommended changes to the Virginia Preschool Initiative capture savings and redirect to these expanded early childhood slots. Language is proposed to permit the transfer of funds between programs to address demand.

Several programmatic changes are also proposed for certain programs, including attendance requirements, co-payments, local assessment of need, and establishment of waitlists for services.

- **Child Care Subsidy Program (CCSP) - Maintain current CCSP participants after federal relief expires.** Provides \$173.3 million GF and \$39.0 million from remaining federal ARPA SLFR funds the first year and \$238.8 million GF the second year to sustain a portion of the additional CCSP slots that were established using federal pandemic relief funds.

Language provides that any unused general fund portion of this appropriation is carried forward for the the same purpose in the following year and directs the Department of Education to establish, at the local level, annual targets for the number of children served with available funds and to ensure localities have waitlist processes in the event available funding exceeds demand. Language also proposes that any remaining American Rescue Plan State and Local Fiscal

Recovery Funds that are available at on June 30, 2024 may be transferred to the Child Care Subsidy Program to ensure funds are obligated by December 30, 2024.

- **Mixed Delivery (Virginia Early Childhood Foundation) - Maintain Mixed Delivery After Federal Relief Expires, Proposed Program Changes, and Review to Consider the Conclusion of the Program.** Recommends a \$26.8 million GF increase each year for the Mixed Delivery early childhood education program administered by the Virginia Early Childhood Foundation (VECF), for a total of \$36.5 million GF each year. These funds would sustain a portion of the funding for additional classrooms established using federal pandemic relief funds.

Language states that funds provided to VECF shall be based on actual utilization and any funds not needed may be transferred to support additional demand for the Child Care Subsidy Program or the Virginia Preschool Initiative.

Several language amendments are proposed addressing expectations for participating families and addressing unmet demand. First, the ages served under the program from only three- and four-year olds is proposed to expand to children from birth through five-years old. Second, development of processes to annually measure and report unmet parental demand and preference, including establishment of waitlists, is recommended. Finally, proposed language would implement attendance requirements, and parental workforce activity requirements and initiate family co-payments aligned with the Child Care Subsidy Program.

Recommends the Department of Education, by July 1, 2025, review the efficacy of the Mixed Delivery program, and propose a conclusion to the program including mechanisms to transition children sustainably into other child care programs.

- **Virginia Preschool Initiative (VPI) - VPI Nonparticipation.** Captures savings of \$68.1 million GF the first year and \$68.8 million GF the second year

by forecasting funding needs based on historic participation in VPI and VPI expansion programs, in lieu of the methodology in prior biennia, which traditionally assumed 20.0 percent of eligible students would not participate. The nonparticipation rate projected for FY 2025 is 32.5 percent and for FY 2026 is 33.0 percent.

Proposed language provides savings identified through the nonparticipation forecast in future biennia shall be directed to the Child Care Subsidy Program. Language requires implementation of processes to annually measure and report unmet parental demand and preference, including establishment of waitlists.

- **Eliminate VPI Composite Index Cap.** Saves \$11.6 million GF the first year and \$11.7 million GF the second year by eliminating the 0.5000 local composite index (LCI) cap applicable to VPI program funding. This removes the cap on the maximum local share of funding for VPI slots and now requires the LCI to be applied to VPI program consistent to all other Direct Aid funding. The proposed action results in localities covering more of the costs of the VPI program.
- **Other Early Childhood Actions**
 - **Digital Wallets.** Proposes \$1.0 million GF the first year to establish and administer a digital wallet platform for hosting early learning and child care accounts. These accounts would be limited to families with children age birth-to-five, and any state contributions to these accounts would be limited to families meeting Child Care Subsidy Program income eligibility criteria.
 - **Continue Staffing Ratio Flexibility Language.** Proposed language continues the temporary authorization for the Superintendent of Public Instruction to alter child-to-staff ratios and group sizes for certain early childhood care and education providers. Proposed authority expires June 30, 2026.

Proposed Early Childhood Actions		
(\$ in millions GF)		
	FY 2025	FY 2026
Virginia Preschool Initiative		
Remove 0.5000 LCI Cap in VPI Formula	(\$11.6)	\$(11.7)
Decrease VPI Nonparticipation Rate to Reflect Projected Utilization	(56.1)	(56.8)
Reduce VPI Expansion Appropriation to Reflect Projected Utilization	(12.0)	(12.0)
VECF Mixed Delivery: Maintain slots after expiration of federal relief funds	26.8	26.8
Child Care Subsidy Program		
Maintain slots following federal child care relief expiration	212.3	237.8
Offset cost with remaining ARPA SLRF funds (\$39.0 M first year)		
Digital Wallets: Establish digital wallet platform	1.0	0.0
TOTAL	\$121.2	\$184.1

- **Appropriate School Construction Fund Revenue.** Recommends \$80.0 million NGF each year from Casino Gambling Proceeds to be deposited into the School Construction Fund for the School Construction Assistance Program. The budget maintains the existing language for the Board of Education to make grants from the Fund.
- **Provide Supplemental Support for Accomack and Northampton.** Proposes \$1.6 million NGF from Lottery Proceeds over the biennium to support Accomack and Northampton school divisions to support salary adjustments to remain competitive with adjacent counties and improve teacher recruitment and retention. The proposed action is a result of a \$1.6 million GF increase to offset a split-funded Lottery account to provide Lottery Proceeds for the Supplemental Support.
- **Teacher Credentials and Support.** Recommends the transfer of funding from the State Council of Higher Education for Virginia (SCHEV) to support credentials

for public school teachers to teach dual enrollment courses and to support the Grow Your Own program. Also provides support for mentoring new teachers.

- **Transfer Appropriation for Dual Enrollment Credentials.** Transfers \$100,000 GF each year from SCHEV to a similar grant program at the Virginia Department of Education to assist public school teachers in pursuing credentials to teach dual-enrollment high school courses. This transfer adjusts the annual funding amount to \$350,000 in Direct Aid.
- **Transfer Appropriation for Grow Your Own Teacher Program.** Transfers \$240,000 GF each year from SCHEV to Direct Aid to Public Education for the Grow Your Own Teacher program administered by the Department of Education. Maintains the same eligibility criteria and award amounts. The program provides grants to low-income high school graduates who attended an institution of higher education in Virginia and subsequently teach in high-need public schools in the divisions from which they graduates. The program provides \$7,500 per year for up to four years. Specifies that at least one school division in each of the eight superintendent regions shall receive funds prior to the distribution of other awards.
- **Provide Funding for Reach Virginia.** Recommends \$630,000 GF the first year for Reach Virginia to provide mentoring services to new teachers.
- **Increase Support for Communities in Schools.** Proposes \$500,000 GF each year to increase support for Communities in Schools to strengthen and sustain existing programming and expand programming to new schools.
- **Increase Funding for Vision Screening Grants.** Recommends \$200,000 GF each year to school districts to pay for a portion of vision screening.
- **Provide Funding for the Virginia Holocaust Museum.** Proposes \$250,000 GF the first year and \$125,000 GF the second year to the Virginia Holocaust Museum for experiential learning programs for K-12 students.

– Department of Education

- **Continue Child Care Subsidy Program.** Recommends \$174.3 million GF the first year and \$237.8 million GF the second year to provide state funding to low-income, working families currently receiving support from the Child Care Subsidy Program after federal funding becomes unavailable. Detailed changes to childcare programs are described in the prior section under Direct Aid.
- **Develop New State Assessment System.** Proposes \$25.0 million GF the first year and \$15.0 million GF the second year for the Department of Education to enter into a new assessment contract that includes constructed response items. Of the amount in the first year, \$10.0 million is provided to support the additional one-time costs to transition from the existing vendor to a new vendor. These amounts shall remain unallotted until authorized for allotment by the Department of Planning and Budget based on the actual cost to support this transition and new assessment contract.
- **Mental Health Services**
 - **Support Access to Mental Health Services.** Recommends \$7.2 million GF each year to fund a contract with a telehealth provider to provide high-quality mental health care services statewide to public school students in grades six through 12. Local school divisions that opt to participate in these services shall develop a process for parents or guardians to opt in a child for such services.
 - **Establish Chief School Mental Health Officer.** Proposes \$200,000 GF each year and 1.0 FTE to create a Chief School Mental Health Officer position to oversee mental health and wellness initiatives for K-12 students and staff.
- **Teacher Licensure System Maintenance.** Proposes \$389,000 GF each year for the operation of the online teacher licensure application system.
- **Adjust Office of School Quality Funding.** Recommends a reduction of \$1.9 million GF each year to reflect actual funding needs of the Office of School Quality.

- **Virtual Virginia.** Proposes reducing nongeneral fund appropriation by \$21.8 million GF each year to align the Virtual Virginia appropriation with actual estimated revenue.

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

- **Modernize Information Technology.** Provides \$1.7 million GF the first year and \$1.1 million GF the second year, in addition to 3.0 FTE, to improve information technology systems.
- **Salary Adjustments.** Recommends \$939,565 GF and \$28,721 NGF each year to fund salary adjustments to remain competitive with the labor market and retain staff.
- **Adjust Maximum Employment Level.** Removes 9.5 FTE to reflect position levels of the agency.

Higher Education

Governor’s Proposed Adjustments to Higher Education				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$3,179.1	\$10,584.1	\$3,179.1	\$10,584.1
Base Budget Adjustments	252.5	324.3	252.5	324.3
Adjusted Base Budget	3,431.6	10,908.3	3,431.6	10,908.3
Proposed Increases	72.9	1,183.6	34.7	1,588.7
Proposed Decreases	<u>(5.6)</u>	<u>(143.9)</u>	<u>(46.3)</u>	<u>(145.0)</u>
\$ Net Change	\$67.2	\$1,039.6	\$(11.6)	\$1,413.7
HB/SB 30, as Introduced	\$3,498.8	\$11,947.9	\$3,420.0	\$12,322.0

The Governor’s proposed 2024-2026 budget for higher education results in a net increase of \$55.6 million GF for the biennium. The Governor proposes \$107.6 million in new spending and recommends a decrease of \$51.9 million through savings and reductions of programs and the transfer of funds to agencies outside of higher education.

Under nongeneral fund spending, the majority are technical adjustments accounting for adjustments to tuition and fee revenues at institutions. These amounts are larger than in prior years as adjustments tuition and fee revenues were not updated in Chapter 1, 2023 Special Session I.

Summary of Proposed Actions			
(GF \$ in millions)			
	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Higher Education Spending			
ODU/EVMS – Merger	\$21.0	\$16.0	\$37.0
Campus Safety and Security	16.6	0.0	16.6
Workforce Credential Grant	4.0	5.2	9.2
Regional Career Placement Centers at VCCS	3.9	3.9	7.8
Mental Health Services Statewide Contract	3.0	3.0	6.0
VA Military Survivors & Dependents Stipends	2.0	2.0	4.0
VSU – Cooperative Extension Services	1.8	1.8	3.6
JMU - Fast Flex Nursing Program	1.0	1.0	2.0
Virtual Library of Virginia Consortium	0.3	0.7	1.0
VIMS - Capital Review	<u>0.2</u>	<u>0.0</u>	<u>0.2</u>
Subtotal Spending	\$53.8	\$33.5	\$87.3
Higher Education Savings and Reductions			
SCHEV - Pell Initiative	0.0	(37.5)	(37.5)
Online Virginia Network	(4.0)	(4.0)	(8.0)
New College Institute	(0.0)	(3.1)	(3.1)
SCHEV - College Transfer Grant	(0.8)	(0.8)	(1.6)
SCHEV - Fund for Excellence and Innovation	(0.2)	(0.2)	(0.4)
SCHEV - Loan Ombudsman	(0.1)	(0.2)	(0.3)
SCHEV - Optometry Grant Program	<u><(0.1)</u>	<u><(0.1)</u>	<u><(0.1)</u>
Subtotal Savings and Reductions	(\$5.2)	(\$45.8)	(\$51.0)
Higher Education Transfer of Funding			
Innovative Internship Program – to SCHEV from Central Appropriations	19.0	1.0	20.0

Summary of Proposed Actions

(GF \$ in millions)

	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Cardinal Education administration from UVA	(0.1)	(0.1)	(0.2)
Cardinal Education administration to SVHEC	0.1	0.1	0.2
Grow Your Own Teacher & Dual Enrollment Credential Program – from SCHEV to DOE	<u>(0.3)</u>	<u>(0.3)</u>	<u>(0.6)</u>
Subtotal Transfer of Funding	\$18.6	\$0.7	\$19.3
Total	\$67.2	(\$11.6)	\$55.6

– Higher Education Spending Proposals

- **Maintain Affordable Access Operating Funds Adjustments to Language.** Recommends repurposing the \$75.0 million GF in the Maintain Affordable Access Operating item provided in Chapter 1, 2023 Special Session I with amounts designated by institution and included language to transfer the amounts to each institution’s base budget. Proposed language keeps the funds in the item and requires the Secretary of Education and SCHEV to establish a set of performance standards and targets tailored to each public institution by August 1, 2024.

Requires institutions to provide a performance plan by October 1, 2024, to SCHEV and the Secretary of Education. Authorizes the Secretary of Education to determine funding allocations the second year and that the amounts provide are provided contingent upon institutions: (1) limiting tuition and mandatory education and general fee increases over the prior year to the lower of 2.5 percent or the Consumer Price Index for Urban Consumers (CPI-U) and (2) submitting an updated plan related to performance targets.

- **ODU/EVMS Merger.** Recommends an additional \$21.0 million GF the first year and \$16.0 million GF the second year to Eastern Virginia Medical School (EVMS) to support the merger and establishment of the Eastern Virginia Health Sciences Center at ODU. Combined with funding provided in Chapter 1, 2023 Special

Session I, the total funding for the merger is \$35.0 million GF the first year and \$30.0 million GF the second year. The Department of Planning and Budget is authorized to transfer funds to ODU as necessary.

- Campus Safety and Security.** Proposes \$16.6 million GF the first year in one-time funds to support campus safety and security initiatives at public institutions in coordination with the Virginia Fusion Center. The Center is a partnership between the Virginia State Police and the Virginia Department of Emergency Management to improve preparedness against terrorist attacks and deter criminal activity. Funding amounts to each institution are based on a per full-time equivalent (FTE) student basis with a minimum amount of \$150,000 per institution.

Campus Safety and Security		
Higher Education Institutional GF Allocations (\$ in millions)		
	<u>FY 2025</u>	<u>FY 2026</u>
CNU	\$0.3	\$0.0
GMU	2.5	0.0
JMU	1.6	0.0
Longwood	0.3	0.0
NSU	0.4	0.0
ODU	1.4	0.0
Radford	0.5	0.0
UMW	0.2	0.0
UVA	2.0	0.0
VCU	2.0	0.0
VMI	0.2	0.0
VSU	0.3	0.0
VT	2.9	0.0
W&M	0.7	0.0
UVA-Wise	0.2	0.0
RBC	0.2	0.0
VCCS	1.0	0.0
Total	\$16.6	\$0.0

- **Workforce Credential Grant.** Recommends an increase of \$4.0 million GF the first year and \$5.2 million GF the second year for the Workforce Credential Grant program offered at community colleges (branded as FastForward) and the Southern Virginia Higher Education Center. The program provides pay-for-performance funding for students to attain industry-based certifications in high demand occupations and is administered by the State Council of Higher Education for Virginia (SCHEV).
- **Tuition Assistance Grant.** Proposes language to increase the tuition assistance grant for online learners from 50 percent to 75 percent of the residential award (an increase from \$2,250 to \$3,750).

Language also allows for SCHEV to reappropriate up to \$2.0 million in balances to study and implement an online system to facilitate applications for awards.

- **Regional Career Placement Centers at VCCS.** Recommends \$3.9 million GF each year and 24.0 FTE positions, including a statewide director position, to establish career placement centers in the nine GO Virginia regions across the state.
- **Mental Health Services Statewide Contract.** Recommends \$3.0 million GF each year for SCHEV to coordinate efforts to pursue a common vendor and statewide contract to provide mental health services to students at institutions of higher education. Funding shall be allocated to public institutions based on enrollments and requires an equivalent nongeneral fund match.
- **VA Military Survivors & Dependents Stipends.** Proposes an increase of \$2.0 million GF each year to support annual stipends of up to \$2,200 to offset the costs of room, board, books, and supplies for qualified survivors and dependents of military service members to meet increased participation in the program.
- **VSU Cooperative Extension Services State Match.** Proposes \$1.8 million GF annually to provide the required state match to support the increase in federal funds provided to the cooperative extension.
- **Fast Flex Nursing Program at JMU and Other Nursing Initiatives.** Recommends \$1.0 million GF each year and 14.7 FTE positions to support

increased Bachelor of Nursing degrees at James Madison through an expedited program that allows up to 30 students who are sophomores to complete the program in one year versus two years through year-round and online academic offerings.

In addition, through the Virginia Department of Health, the budget proposes an increase of \$4.0 million GF each year for the Earn to Learn nursing program and \$1.0 million GF each year for nursing scholarships and the loan repayment program.

- **Virtual Library of Virginia Consortium.** Proposes an additional \$325,000 GF the first year and \$650,000 the second year to fund cost increases of electronic collections and other resource sharing across public and private, nonprofit institutions in Virginia.
- **Virginia Institute of Marine Science - Capital Review and Other Language Changes.** Proposes \$150,000 GF the first year to study innovative ways to utilize facilities, including opportunities to renovate existing space to meet programmatic needs. Language also changes references to the College of William and Mary's Virginia Coastal Policy Center to the new Virginia Coastal Resilience Collaborative initiative and extends reporting requirements on the Elizabeth River Scorecard from once every three years to once every five years.

– **Higher Education Savings and Reductions**

- **SCHEV - Removes Pell Initiative Funding the Second Year.** Proposes the removal of \$37.5 million GF the second year for an initiative to recruit and retain low-income students through SCHEV. Requires annual reporting of outcomes for the existing funding by October 1 each year.
- **Online Virginia Network Authority - Removes Funding.** Recommends the removal of \$4.0 million GF annually to support the Online Virginia Network Authority established in 23.1-3135 of the Code of Virginia.
- **New College Institute (NCI) - Removes Funding the Second Year.** Removes \$3.1 million GF and \$1.6 million NGF the second year. Requires NCI to

provide a comprehensive business plan and customer recruitment and expansion strategy to the Governor, the Chair of the Senate Finance and Appropriations Committee, and the Chair of the House Appropriations Committee no later than October 1, 2024.

- **SCHEV - Reduces College Transfer Grant Amounts to Align with Demand.** Proposes to reduce the two-year college transfer grant by \$0.8 million GF each year.
- **SCHEV - Removes Fund for Excellence and Innovation.** Proposes a reduction of \$225,000 GF each year to eliminate the Fund designated to stimulate collaboration among public school divisions, community colleges, and universities to create and expand affordable pathways, and to pursue shared services that lead to measurable cost reductions.
- **SCHEV - Removes Student Loan Ombudsman Funding.** Reduces funding by \$127,000 GF the first year and removes funding of \$174,000 GF the second year for the student loan ombudsman program established under 23.1-231 of the Code of Virginia.
- **SCHEV - Removes Optometry Grants Program.** Recommends the removal of \$20,000 GF each year to provide students attending optometry programs with grants of up to \$5,000 annually.
- **VCCS – Removes Language Regarding a Plan for an Advanced Regional Workforce Academy in Norfolk.** Language requested the Virginia Community College System to work together with the City of Norfolk, Norfolk Public Schools, and other private or nonprofit entities for development of a plan. The Academy will provide adult and youth workforce and educational services by Tidewater Community College in collaboration with Norfolk Public Schools and other local school divisions. Required the VCCS to submit a proposed governance structure for the Academy and other proposed components of the plan to the Secretary of Education, the Secretary of Finance, and Chief Workforce Development Advisor for consideration.

– Higher Education Transfers

- **SCHEV - Innovative Internship Program Funding from Central Accounts.** Recommends the transfer of funding provided in Chapter 1, 2023 Special Session I, in the amount of \$10.0 million in FY 2024 to SCHEV. Provides \$19.0 million GF the first year and \$1.0 million GF the second year. Designates funds the second year as one-time. Base funding at SCHEV of \$2.0 million GF annually remains for the program.
- **SCHEV - Teacher Licensure and Credential Grant Programs to DOE.** Recommends the transfer of \$240,000 GF each year for the Grow Your Own Teacher program and \$100,000 GF each year for a grant program to public high school teachers to attain credentials necessary to teach dual enrollment courses to the Virginia Department of Education to administer the programs.
- **UVA - Cardinal Education Program Administration Funds to Southern Virginia Higher Education Center.** Proposes the transfer of \$110,583 GF each year for the administration of the program designed to provide for the flexibility of non-research, graduate continuing education engineering students to take classes from six public institutions.
- **VCCS - Workforce Investment and Opportunity Act (WIOA) to Department of Workforce Development and Advancement.** Transfers \$53.8 million NGF annually and 38.0 positions from the VCCS to the new agency established and authorized to administer WIOA as passed in Chapter 624 of the 2023 Session.

– Other Higher Education Related Initiatives

- **Virginia Research Triangle – Funding for Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network.** Proposes \$100.0 million GF the first year through the Virginia Innovative Partnership Authority. Funding includes \$55.0 million to UVA for the Manning Institute of Biotechnology, \$30.0 million to VT for the Patient Research Center, and \$15.0 million for the Medicines for All Institute at VCU. Language removes

\$7.5 million authorized through the Higher Education Equipment Trust Fund operated by the Virginia College Building Authority related to this project.

- **Bonus and Salary Increases Authorized in Central Accounts.** Recommends a one percent bonus payment each year on December 1 of 2024 and 2025. Also, proposes a one percent salary increase on June 10, 2025. Bonuses and increases apply to all employees, including adjunct faculty and graduate teaching assistants. Continues language that provides institutions with the flexibility to adjust increases based on performance and other employment factors if the amount does not exceed an average of one percent.
- **Credit Card Rebates and Interest Earnings Adjustments.** Recommends increasing credit card rebates and interest earnings to institutions by \$3.2 million GF and \$8.6 million NGF annually to adjust amounts to 2023 actual levels.
- **Health Insurance Premium Rate Adjustments.** Recommends an increase to the State Health Insurance Fund to support the state share of a 6.3 percent increase the first year and 4.0 percent increase the second year for the state's self-insured plans.
- **FAFSA Simplification and Adjustments to State Aid Language.** Recommends language in Part Four of the budget related to upcoming changes to the Free Application for Federal Student Aid (FAFSA) that will impact state aid programs. Changes to language include: (1) technical provisions to references to Expected Family Contribution (EFC) to change to the new federal Student Aid Index (SAI) in the Code of Virginia and the budget; (2) consideration of continued state aid for current recipients based on the EFC calculation; and (3) removal of the consideration of a SAI that has a negative federal calculated amount.
- **Level III Language Changes.** Proposes technical changes to references authorizing Level III authority to certain institutions. Creates one reference to identify institutions with a management agreement that cites the various Chapter authorizations from prior budgets and replaces language with the management agreement reference.

- **Radford University - Transfer Radford Carillion Appropriation.** Moves funds allocation in a separate account for Radford Carillion to the Radford Educational and General (E&G) program to reflect consolidated administrative operations.
- **UVA - Wise - Continue Indirect Cost Recovery Flexibility for the Biennium.** Recommends that UVA-Wise be allowed to continue flexibility to suspend the transfer of indirect cost recoveries from auxiliary programs to education and general (E&G) programs.
- **Southeastern Universities Research Association (Jefferson Labs) – Adjust Language.** Proposes to adjust language designated to utilize existing funding in the amount of \$500,000 GF annually for nuclear femtography to also support programs related to the recently announced High Performance Data Facility project.

Other Education

Governor’s Proposed Adjustments to Other Education				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$86.9	\$59.3	\$86.9	\$59.3
Base Budget Adjustments	2.7	2.1	2.7	2.1
Adjusted Base Budget	89.6	61.3	89.6	61.3
Proposed Increases	0.0	0.3	0.0	0.3
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$0.0	\$0.3	\$0.0	\$0.3
HB/SB 30, as Introduced	\$89.6	\$61.6	\$89.6	\$61.6

– **Virginia Museum of Natural History**

- **Increase NGF for Research Associate Position.** Proposes \$78,500 NGF the first year and \$82,425 NGF the second year and 1.0 authorized position for a research associate funded through a grant from the National Science Foundation.

– **Virginia Commission for the Arts**

- **Allow Carryforward for General Fund.** Proposes a language change allowing for unused general fund appropriations to be carried forwards and reappropriated for grants and operations.

Finance

Governor’s Proposed Adjustments to Finance				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$2,813.8	\$753.7	\$2,813.8	\$753.7
Base Budget Adjustments	<u>(687.3)</u>	<u>(85.2)</u>	<u>(687.3)</u>	<u>(85.2)</u>
Adjusted Base Budget	\$2,126.5	\$668.5	\$2,126.5	\$668.5
Proposed Increases	24.4	15.3	59.3	16.6
Proposed Decreases	<u>(1.1)</u>	<u>(12.1)</u>	<u>(1.1)</u>	<u>(12.3)</u>
\$ Net Change	\$23.3	\$3.2	\$58.2	\$4.2
HB/SB 30, as Introduced	\$2,149.8	\$671.7	\$2,184.7	\$672.7

– **Department of Accounts**

- **Reduce Agency Operational Budget.** Proposes a reduction of \$869,258 GF each year in agency funding to account for unexpended balances due to vacancies resulting from challenges in filling necessary certified public accountant positions.

- **Adjust Nongeneral Fund Appropriations to Reflect Actual Systems Costs.** Includes a net reduction of \$10.9 million NGF the first year and \$10.3 million the second year to update the projected funding needed in operating expenses for various internal service funds used to administer Cardinal (Financials and Human Capital Management), the Performance Budgeting System, and the agency’s Payroll Service Bureau.

– **Department of Accounts Transfer Payments**

- **Reduce the Combined Balance Limit for the Revenue Stabilization and Revenue Reserve Fund.** Proposes to transfer \$712.2 million GF the first year and \$92.8 million GF the second year from the Revenue Reserve Fund to the general fund from the excess cash in the Revenue Reserve Fund for using a lower combined fund balance of 15 percent, which is required in state statute. During the 2022-24 biennium, the Appropriation Act provided for a combined balance limit of 20 percent. The combined balance of the two funds is not expected to exceed that limit in either year.
 - **Remove Appropriation for One-Time Revenue Stabilization Fund Deposit.** Recommends a technical adjustment to remove \$406.0 million GF each year from the base budget to reflect the one-time deposit requirement to the Revenue Stabilization Fund in FY 2024 based on actual tax collections for FY 2022.
 - **Adjust Nongeneral Fund Appropriation for Lower Communications Sales and Use Tax Revenue Distributed to Localities.** Includes a reduction of \$90.0 million NGF each year to better reflect actual collections and distributions made for the Virginia Communications Sales and Use Tax to local governments. With this adjustment, the total annual nongeneral fund appropriation for the tax distribution totals \$350.0 million.
- **Remove Outdated Appropriation and References to the Virginia Education Loan Authority Reserve Program.** Recommends a reduction of \$194,778 NGF each year for the defunct Virginia Education Loan Authority Reserve Fund program for which all known obligations have been met. A

companion amendment in Part 3 of the budget directs the reversion to the general fund of an estimated \$461,864 in balances related to this program.

– **Department of Planning and Budget**

- **Modify Agency Operational Budget.** Proposes a reduction of \$113,000 GF each year based on unspent appropriation in FY 2023.
- **Reduce Agency Position Level.** Recommends a reduction of 12.0 positions each year to adjust the agency’s maximum employment level to reflect current staffing levels. There is no corresponding funding impact associated with this proposal as these positions are vacant.

– **Department of Taxation**

- **Mandate Online Registration for New Businesses.** Recommends a general fund savings of \$30,000 each year to correspond with proposed language that would require all new businesses in the state to file their registration electronically through the Business iReg application.
- **Authorize One-Time Transfer of Cash Balance in the Court Debt Collection Program.** Recommends a transfer of \$1.0 million in FY 2025 from excess balances in the Court Debt Collection Program. This program is a legal remedy for collecting delinquent debts owed to Virginia’s administrative government units and courts.
- **Reduce Agency Position Level.** Proposes a reduction of 82.0 positions each year to adjust the agency’s maximum employment level to reflect current staffing levels. There is no corresponding funding impact associated with this proposal as these positions are vacant.

– **Department of the Treasury**

- **Establish Appropriation for the Special Damages Fund.** Recommends a net-zero transfer of \$50,000 NGF each year from the excess appropriation in the Insurance Collateral Assessment fund to establish a base appropriation for

payments authorized to be made from the existing Special Damages Fund, which does not have an existing appropriation.

- **Implement New Fee and Recover Indirect Costs from Non-state Financing Programs.** Proposes a reduction of \$71,194 GF the first year and \$96,194 GF the second year to reflect a new annual fee for institutions of higher education participating in the private college financing program of the Virginia College Building Authority and additional savings by recovering indirect costs of the Virginia School Authority Program (currently limited to only the direct costs).
- **Fund Increased Cost of Statewide Insurance Programs.** Proposes \$15.0 million GF the first year and \$16.0 million GF the second year for the increased costs associated with the statewide property and general liability insurance programs. General liability program costs have been increasing due to such costs as cybersecurity issues at state agencies. Property insurance costs have been increasing due to the overall higher costs resulting from premium increases.
- **Upgrade Treasury Investment Management Information Technology Systems.** Recommends \$250,000 NGF each year for the agency to utilize existing cash resources to upgrade its systems used for investment management activities.
- **Reduce Agency Position Level.** Proposes a reduction of 8.0 positions each year to right-size the agency's maximum employment level to reflect current staffing levels. There is no corresponding funding impact associated with this proposal as the positions are vacant.

– **Treasury Board**

- **Adjust Funding for Debt Service Payments.** Proposes an additional \$24.4 million GF and a savings of \$936,312 NGF the first year and an additional \$59.3 million GF and a savings of \$1.5 million NGF the second year for anticipated debt service payments on bonds issued by the Virginia Public Building and College Building Authorities.

Health and Human Resources

Governor’s Proposed Adjustments to Health and Human Resources				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$8,620.2	\$20,283.0	\$8,620.2	\$20,283.0
Base Budget Adjustments	357.8	(1,872.9)	357.1	(1,872.9)
Adjusted Base Budget	\$8,978.0	\$18,410.1	\$8,977.3	\$18,410.1
Increases	698.3	2,689.7	1,076.2	4,170.9
Decreases	<u>(34.6)</u>	<u>(326.1)</u>	<u>(25.0)</u>	<u>(331.4)</u>
\$ Net Change	\$663.8	\$2,689.7	\$1,051.2	\$3,839.4
HB/SB 30, as Introduced	\$9,641.8	\$21,099.8	\$10,028.5	\$22,249.5

– Secretary of Health and Human Resources

- **Add an Additional Position.** Includes \$130,000 GF each year to add one position and the associated funding for the Office of the Secretary of Health and Human Resources, increasing the number of staff authorized for the office from five to six.

– Children’s Services Act

- **Fund Children’s Services Act Forecast.** Proposes \$48.5 million GF each year to fund projected growth in services provided through the Children’s Services Act. Cost increases are expected due to increased caseload and rate increases. The caseload increased in FY 2023 to 15,032 from 14,489 in FY 2022. Overall expenditures in FY 2023 increased 9.2 percent over FY 2022. The expenditure forecast projects growth of 7.0 percent in FY 2024 and 4.2 percent in FY 2025. No growth is assumed for FY 2026. While growth in the number of children placed in

private day special education slowed during the COVID-19 pandemic, the caseload and cost per child are rising again. The expenditure forecast also reflects rate increases in foster care maintenance rates and psychiatric residential treatment facility rates.

- **Fund Supports for Kinship Alternative Living Arrangements.** Recommends \$1.2 million GF each year for the anticipated costs of services provided to children served through the kinship care and parental agreement program.

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

- **Adjust Appropriation to Reflect Lower Cost of Relay Services.** Proposes a reduction of \$299,512 NGF each year to reflect the lower costs of providing telecommunications relay services.

– **Department of Health**

Health Workforce Programs

- **Continue Nursing Education Acceleration Program “Earn to Learn.”** Proposes \$4.0 million GF each year to continue 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 awards grants to educational and healthcare institutions to increase the number of nursing students earning certifications and gaining employment as nurses. Chapter 1, 2023 Special Session I, Acts of Assembly provided \$5.0 million NGF from federal American Rescue Plan Act funds in FY 2024 for this program.
- **Expand the Behavioral Health Loan Repayment Program.** Includes an additional \$5.0 million GF each year over the biennium for the Behavioral Health Loan Repayment Program, serving 100 new recipients. Language increases 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 25.0 percent of student loan debt for each year of health care service provided to the Commonwealth. Language expands the

program to psychiatric registered nurses and sets aside \$1.0 million of the funding each year for school-based professionals. This action increases funding to \$8.1 million GF each year for the program.

- **Expand Nursing Scholarships and Loan Repayment Programs.** Proposes an additional \$936,000 GF each 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 will bring funding for these programs to \$1.9 million each year over the biennium.
- **Fund Additional Staff for Healthcare Workforce Incentive Programs.** Recommends \$231,373 GF each year to convert two contract staff to full-time staff at the Virginia Department of Health within the unit that administers existing and new healthcare workforce incentive programs.

Other General Fund Spending

- **Supplant TANF Funding with General Fund.** Includes \$3.4 million GF the first year and \$7.4 million GF the second year to supplant federal Temporary Assistance to Needy Families (TANF) funds for the following programs:
 - \$4.0 million GF in FY 2026 for access to contraceptives for low-income individuals;
 - \$2.4 million GF each year for Families Forward for home visiting, family support and preventive medical and dental services for low-income, at-risk children; and
 - \$1.0 million GF each year for Resource Mothers, operated by the agency through local health districts and community partners to improve birth outcomes for teens and care of their infants.
- **Provides State Match Funding for Drinking Water Infrastructure Projects.** Recommends \$3.1 million GF each year for the state match to draw down the U.S. Environmental Protection Agency's grant funds for the Drinking Water State Revolving Fund. The state match requirement for these federal funds will increase to 20 percent starting in 2025 as compared to the current 10 percent

requirement. Funding of \$3.4 million GF a year was provided in Chapter 1, 2023 Special Session I, Acts of Assembly beginning in FY 2024.

- **Add Funds to Improve Agency Financial Oversight.** Proposes \$1.8 million GF each year over the biennium to fund additional positions in the Office of Financial Management to improve the compliance and audit processes. The agency has had several financial related audit findings recently.
- **Add Funding for Hampton Roads Proton Beam Therapy Institute.** Includes \$2.5 million GF the first year for the Hampton Roads Proton Beam Therapy Institute at Hampton University to support efforts for proton therapy in the treatment of cancerous tumors. This brings the total funding to \$4.1 million GF the first year.
- **Add Funding for the Amyotrophic Lateral Sclerosis Association.** Proposes \$750,000 GF the first year for the Amyotrophic Lateral Sclerosis Association to provide support for a durable medical equipment loan program, multidisciplinary amyotrophic lateral sclerosis clinics, adaptive communication programming, transportation stipends, and grants for respite care. Funding of \$750,000 GF a year was provided in Chapter 1, 2023 Special Session I, Acts of Assembly beginning in FY 2024.
- **Fund a New Office of Grants Administration.** Recommends \$557,010 GF each year to fund three positions to create the Office of Grant Administration to manage grant functions and provide training for the agency, including compliance with federal, state, and local regulations and statutes. The agency has identified the need to modernize the management of grant funding, which comprises a majority of the agency's annual funding of \$1.1 billion.
- **Add State Matching Funds for Home Visiting Services.** Includes \$333,333 GF and \$1.0 million NGF the first year and \$500,000 GF and \$1.5 million NGF the second year to match additional federal Maternal Infant Early Childhood Home Visiting Program funds available to support evidence-based home visiting services.

- **Increase Funding for Special Olympics Program.** Proposes an additional \$150,000 GF each year for Special Olympics to re-engage schools in the Unified Champion Schools initiatives, which intentionally promoting meaningful social inclusion by bringing together students with and without intellectual disabilities through inclusive sports, inclusive youth leadership and school-wide engagement. This brings total funding for this program to \$300,000 GF each year.

Nongeneral Fund Spending

- **Allocate Opioid Settlement Funds for Fentanyl Response Efforts.** Proposes \$5.5 million NGF each year from Commonwealth Opioid Abatement and Remediation fund dollars to support the Naloxone Distribution Program. Funding will support the purchase and distribution of opioid reversal agents as well as administrative costs such as shipping, test strips, and software modifications.
- **Provide Opioid Settlement Funds for Fentanyl and Norfentanyl Wastewater Surveillance Demonstration Project.** Recommends \$400,000 NGF the first year from the Commonwealth Opioid Abatement and Remediation Fund to support costs of a one-year demonstration program to test for the existence of fentanyl and norfentanyl in wastewater in three geographically diverse localities.
- **Transfer Appropriation for Administrative Support of Opioid Abatement Authority.** Proposes a transfer of \$200,000 NGF and two positions each year to the Department of Behavioral Health and Developmental Services to perform administrative services for the Opioid Abatement Authority (OAA). The OAA had been paying the agency for such services.
- **Reduce Excess Federal Appropriation.** Recommends a reduction of \$12.6 million NGF each year in federal appropriation across seven of the agency's programs. This change aligns the projected federal revenue with the agency's current appropriations.

Language

- **Eliminate First Year Part 3 General Fund Transfer from Emergency Medical Services.** Recommends language in Part 3 which eliminates a general fund transfer of \$12.5 million in FY 2025 from the additional \$2.00 annual registration fee on motor vehicles imposed during the Great Recession. This funding shall be available for emergency medical services as prescribed by the Code of Virginia and the Appropriation Act. This action is proposed to cover a shortfall in the Office of Emergency Medical Services due to financial mismanagement. The general fund transfer would resume in FY 2026.
- **Streamlines Funding for Tuberculosis Funding.** Proposes to modify language which pools funding for the purchase of tuberculosis (TB) medications to provide flexibility in using the funding for both drug-susceptible and drug-resistant TB based on need.
- **Remove Language for a Plan and Report on Vaccine Equity.** Recommends removing budget language that requires the development of a plan and a monthly report on the equitable distribution of COVID-19 vaccines and medications.

– **Department of Health Professions**

- **Increase Support for Licensing, Investigative, and Administrative Staff.** Proposes \$749,483 NGF and eight positions each year to support agency operations. Four of the positions provided are to respond to an increase in volume and complexity of disciplinary cases, licensure, and investigations. The remaining four positions are to reduce the agency’s reliance on wage employees by converting them to full-time positions.

– **Department of Medical Assistance Services**

Expenditure Forecasts

- **Medicaid Utilization and Inflation.** Proposes \$175.1 million GF the first year and \$538.9 million GF the second year and \$2.7 billion NGF the first year and \$3.8 billion NGF the second year to fund the forecasted costs of utilization and

inflation in the Medicaid program. Expenditures in the program are expected to grow by 8.3 percent in FY 2025 and 6.2 percent in FY 2026. The growth rates reflect a return to more typical growth as the federal Public Health Emergency ends and are driven largely by increases in managed care rates, utilization of services and inflation in medical care costs. The increases also reflect the annualized costs of recent budget changes to Medicaid rates and services, changes in the federal match rate, and lower pharmacy rebates. In addition, the funding reflects a return to 12 monthly managed care payments in each year. The FY 2024 budget includes only 11 monthly managed care payments, as one monthly payment was pre-paid in FY 2023 to take advantage of more favorable enhanced federal matching rates.

- **Adjust Virginia Health Care Fund Appropriation.** Recommends \$255.5 million GF the first year and \$253.4 million GF the second year with the equivalent offsetting changes in the NGF appropriation each year to reflect the latest revenue estimate for the Virginia Health Care Fund (VHCF). VHCF revenues are used as a portion of the state’s match for the Medicaid program. As revenues decline, more general fund dollars are needed to provide the state match for the Medicaid program.

In recent years the VHCF had more revenue to offset GF costs, largely due to managed care organizations’ (MCO) payments for low utilization and excess profits during the Public Health Emergency. However, continued MCO payments are not expected in FY 2024 and over the 2024-26 biennium as utilization of services normalizes and profits do not exceed the allowed three percent threshold. In addition, VHCF revenues are projected to decline by \$49.1 million over the 2024-26 biennium based on the Department of Taxation's revised forecast of tobacco taxes and a projected decline in Medicaid recoveries and pharmacy rebates.

- **Family Access to Medical Insurance Security (FAMIS) Program Utilization and Inflation.** Includes \$19.6 million GF and \$44.7 million NGF the first year and \$27.3 million GF and \$59.4 million NGF the second year to fund the utilization and inflation costs of the FAMIS program. Expenditures in the program are expected to increase 14.3 percent in FY 2025 and 5.7 percent in FY 2026. A

portion of the funding reflects a return to 12 monthly managed care payments in each year. The FY 2024 budget includes only 11 monthly managed care payments, as one monthly payment was pre-paid in FY 2023 to take advantage of more favorable enhanced federal matching rates. In addition, it is expected that some children who may lose coverage for the Medicaid Children's Health Insurance Program, will be eligible for the FAMIS program. FAMIS covers children aged zero 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.** Recommends a reduction of \$11.1 million GF and \$14.7 million NGF the first year and \$4.6 million GF and \$2.1 million NGF the second year to reflect the forecasted utilization and inflation costs of the Medicaid CHIP program. The Medicaid CHIP program provides services for Medicaid-eligible low-income children, aged 6 to 18, living in families with incomes between 100 and 133 percent of the federal poverty level. The expected savings are projected due to a declining number of children in the program, as Medicaid eligibility redetermination is completed after the end of the federal health emergency. A number of 21-year-old youths were served in the Medicaid CHIP program during the Public Health Emergency and are expected to be moved into other Medicaid eligibility categories, become eligible for the FAMIS program, or be eligible for health care coverage through the Health Insurance Exchange. Other children that may lose Medicaid CHIP coverage due to changes in family income, are expected to become eligible for the FAMIS program.
- **Medical Services for Involuntary Mental Commitments.** Proposes a reduction of \$2.4 million GF the first year and \$780,525 GF the second year to reflect the estimated cost of hospital and physician services for persons subject to an involuntary mental commitment. The expenditure for these services has declined in recent years as the overall number of commitments statewide has declined.

- **Adjust Medicaid Appropriation for State Facilities.** Recommends reducing the Medicaid appropriation by \$2.6 million GF and \$1.3 million NGF the first year and \$2.6 million GF and \$1.3 million NGF the second year for facilities operated by the Department of Behavioral Health and Developmental Services to reflect estimated Medicaid costs. This funding adjustment is technical and will have no impact on services.

Policy Changes

- **Add 3,440 Developmental Disability Waiver Slots.** Proposes \$50.0 million GF and \$52.2 million NGF the first year and \$100.2 million GF and \$104.3 million NGF the second year to create 1,720 Developmental disability waiver slots each year over the biennium. Funding would provide an additional 172 Community Living waiver slots and 1,548 Family and Individual Support waiver slots each year.
- **Restrict Medicaid Coverage of Weight Loss Drugs.** Recommends a reduction of \$4.1 million GF and \$10.0 million NGF the first year and \$4.8 million GF and \$11.6 million NGF the second year by restricting Medicaid coverage of weight loss medications when prescribed for weight loss except in those cases when an individual has a body mass index greater than 40 (class III obesity, formerly known as morbid obesity).
- **Fund Modification of Developmental Disability Waiver Services.** Proposes \$549,756 GF and \$597,222 NGF each year for the fiscal impact of Chapters 701 and 702, 2023 Acts of Assembly (House Bill 1963 and Senate Bill 945), which: (i) combined the maximum annual allowable amount for assistive technology and electronic home-based support services for an individual receiving Medicaid developmental disability waiver services to provide for greater flexibility to meet an individuals' needs; and (ii) provided a maximum of \$10,000 available to an eligible individual for assistive technology and electronic home-based support services each year.
- **Complete Redesign of Medicaid Behavioral Health Services.** Recommends \$500,000 GF and \$500,000 NGF the first year to complete the redesign of Medicaid behavioral health services for youth and adults to ensure that

services are evidence-based and trauma-informed. Language provides the agency with authority to redesign existing “legacy” services (that were not included in more recent changes to certain behavioral health services) to provide a comprehensive continuum of behavioral health services. Language requires that the service changes be budget neutral and be implemented by June 30, 2026.

Language specifies that the following services would be phased out and replaced with evidence-based, trauma informed services: mental health skill building, psychosocial rehabilitation, intensive in-home services, and therapeutic day treatment. Services for youth would be replaced with tiered community-based supports in homes and schools for youth and families with and those at-risk for behavioral health disorders. Services for adults would be replaced with a comprehensive array of psychiatric rehabilitative services including as community-based and center-based services such as independent living and resiliency supports, community support teams and revised psychosocial rehabilitation services. Targeted case management services for adults and youth would be replaced with tiered case management services.

Language further provides the Department of Medical Assistance Services (DMAS) with the authority to implement changes to service definitions, prior authorization and utilization review criteria, provider qualifications and reimbursement rates for the legacy and redesigned services. The agency may not implement the new services until the legacy services have ended.

Language directs DMAS to work with the Department of Behavioral Health and Developmental Services to continue efforts to qualify for a federal 1115 Serious Mental Illness waiver, as well as requires DMAS to develop the waiver application when appropriate and maintain a plan for proposed changes. Language also directs DMAS to provide the waiver plan by September 1 of each year to the Director of the Department of Planning and Budget and the money committees. Further the agency is prohibited from implementing the proposed waiver with direct authorization by the General Assembly.

- **Add 20 Psychiatric Residency Slots.** Includes \$1.0 million GF and \$1.0 million NGF each year over the biennium to fund 20 new psychiatric residency slots using Medicaid supplemental payments.
- **Provide Authorization and Funding for Managed Care Contract Reprourement.** Proposes \$516,602 GF and \$1.3 million NGF the first year and \$676,502 GF and \$1.6 million NGF the second year to support the cost of anticipated changes from the reprourement of the Medicaid managed care contracts and for three positions to enhance contract oversight. Proposed language authorizes the agency to make numerous changes to the managed care organization (MCO) contracts to ensure that cost containment is achieved. Some of the changes include revision of staffing requirements, improving enrollment processes, improvements in screening and care coordination, increases in value-based payment models, revisions in the quality withhold program and underwriting gain requirements, timely processing of clean claims, improvements in the use of quality measures, and reports on network adequacy and access, among others.
- **Improve Access to Peer Recovery Support Services.** Recommends language authorizing the agency to amend the Medicaid State Plan to expand provider qualifications for peer recovery support providers of Medicaid eligible mental health and substance use disorder peer supported services while working on their certification through the Department of Behavioral Health and Developmental Services. Language also allows the agency to adjust caseload limits for these providers to reflect the need to provide services in a crisis or emergency room setting.

Administrative and Technical Adjustments

- **Fund Replacement of Fiscal Agency Services System.** Proposes \$1.0 million GF and \$8.0 million NGF the first year and \$2.2 million GF and \$19.8 million NGF the second year to fund the replacement of the fiscal agency services system. The federal government provides a higher match rate for systems

improvements and has indicated replacement of this system is necessary as it is over 20 years old.

Transfer Resources to Fund Developmental Disability Waiver Responsibilities. Recommends a transfer of \$85,000 GF and \$85,000 NGF and one position each year from the Department of Behavioral Health and Developmental Services to support agency responsibilities associated with developmental disability waiver services that were 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.

- **Telehealth Service Delivery Options for Developmental Disability Waivers.** Recommends language to implement telehealth service delivery options for developmental disability waiver services currently authorized by the Appropriation Act or Code of Virginia.
- **Supplemental Disproportionate Share Hospital (DSH) Pool Redistribution.** Proposes language authorizing the agency to redistribute excess DSH payments to other eligible hospitals that have not met their uncompensated care costs. Language requires the redistribution to be budget neutral and prohibits the commitment of funds in excess of the appropriation for this purpose.
- **Improve Eligibility Determination Efforts for FAMIS and Medicaid CHIP Programs.** Recommends language requiring the agency to improve efforts to determine if individuals applying for the state’s children’s health insurance programs are eligible for alternative health care coverage and report on these efforts by October 1 of each year to the chairs of the money committees and the Director of the Department of Planning and Budget.
- **Improve Third Party Liability Recoveries.** Proposes language setting out the administrative funding of \$183,670 GF and \$183,670 NGF each year of the biennium and adds three positions to improve Third-Party Liability (TPL) recoveries. This would bring the total positions used for these efforts to

20 positions. Language requires the agency to use a minimum of 20 positions for these activities and requires reporting on the TPL activities to be included on the agency's website and updated quarterly. The funding is expected to be offset by a commensurate amount of savings generated from these recovery activities, so no additional appropriation is necessary.

- **Clarify Coverage of Prevention Services for Adults.** Recommends a reduction of \$251,690 GF the first year and \$258,609 GF the second year and an offsetting increase in federal Medicaid funds and changing existing budget language to clarify coverage of prevention services for adults who receive full-benefit Medicaid services who are not enrolled pursuant to the federal Patient Protection and Affordable Care Act (PPACA). This action would align with the prevention services coverage provided under the PPACA. This is a technical change to ensure compliance with federal law.
- **Reduce Use of Contract Staff.** Proposes language to earmark three positions to replace contractual staff in the eligibility and enrollment unit and require a minimum of four positions to support this function.
- **Align Outpatient Rehabilitation Reimbursement Methodology with Industry Standards.** Recommends language to update the reimbursement methodology for outpatient rehabilitation services to the Resource Based Relative Value Scale. This change is necessary to align Virginia's reimbursement methodology with Medicare and industry standards. All changes must be budget neutral.
- **Authorize the Removal of Obsolete Supplemental Payment Language.** Proposes language that allows the department to remove outdated provider supplemental payments that were authorized prior to July 1, 2021, from the Medicaid state plan and regulations. This technical change ensures Medicaid governing documents are up to date. There would be no impact on any current or potentially active supplemental payments.

– Department of Behavioral Health and Developmental Services

Mental Health and Substance Use Disorder Treatment Services

- **Fund Peer Wellness Stay Programs.** Recommends \$3.4 million GF the first year and \$3.3 million GF the second year to establish and provide ongoing support for two additional peer wellness stay programs in addition to one wellness program that is supported by federal funding through 2025. Peer wellness programs are voluntary, short term recovery housing options for individuals in distress to provide an alternative to inpatient hospitalization.
- **Increase Funding for Part C Early Intervention.** Includes \$2.6 million GF each year for early intervention services for infants and toddlers to address the increasing number of eligible children as well as the increasing cost of services.
- **Expand Funding for Adolescent Substance Use Disorder Services.** Provides \$1.1 million GF the first year and \$610,000 GF the second year to establish and provide ongoing support for two Intermediate Care Facilities. These facilities are for children under the age of 21 with severe substance use and mental health conditions that need inpatient treatment but do not require medically managed acute care from a general hospital. From this amount, \$400,000 GF the second year is provided to support the Chesterfield Recovery Academy.
- **Provide Additional Appropriation for Problem Gambling Treatment.** Recommends \$306,521 NGF each year in additional nongeneral fund appropriation for problem gambling treatment programs based on expected revenues from taxes on sports and casino gambling revenues.

Crisis Services

- **Fund Additional Crisis Services.** Proposes \$33.0 million GF the first year and \$2.6 million GF the second year to continue expanding the state's crisis services system by funding more crisis receiving centers, crisis stabilization units, and pharmacy improvements and other crisis initiatives. This proposal is in addition to the \$58.0 million GF approved in Chapter 1, 2023 Special Session I, Acts of

Assembly for the same purpose, which has an ongoing cost of \$39.8 million GF included in the base budget for the biennium.

- **Fund Hospital Based Psychiatric Emergency Alternatives.** Includes \$10.0 million GF the first year for comprehensive psychiatric emergency programs in emergency departments to quickly assist individuals in crisis and to redirect them to the most appropriate setting. The programs may include both public and private partnerships. Chapter 1, 2023 Special Session I, Acts of Assembly included \$10.0 million GF for the same purpose in FY 2024.
- **Provide One-Time Funds for Mobile Crisis Units.** Proposes \$10.0 million GF the first year to establish additional mobile crisis teams in addition to the 90 teams currently operating. Virginia has already exceeded the national *Crisis Now* standard, which indicates that the state needs 70 teams for individuals to be covered 24 hours a day, 7 days a week in a one-hour radius. Chapter 1, 2023 Special Session I, Acts of Assembly included \$10.0 million GF for the same purpose in FY 2024.
- **Fund Crisis Co-Responder Programs.** Recommends \$3.6 million GF the first year and \$4.2 million GF the second year to provide ongoing support for seven crisis co-responder programs. Dispatched by 911, co-responder teams of both law enforcement and mental health professionals respond to an individual in crisis.
- **Expand Alternative Transportation and Custody Program.** Proposes \$4.7 million GF each year for alternative transportation and alternative custody. Proposed language would expand the program by allowing individuals under involuntary commitment orders to be eligible for these services. This language change also combines funding and earmarks for alternative transportation and alternative custody.

Workforce and Training

- **Increase Training for First Responders and Hospital Staff.** Proposes \$2.6 million GF each year for an ongoing contract with the Virginia Crisis Intervention Team Coalition. Training will focus on de-escalation and behavioral

health laws for law enforcement, fire and emergency services departments, and hospital emergency department personnel.

- **Fund Initiatives to Expand Mental Health Workforce.** Recommends \$595,876 GF the first year and \$645,876 GF the second year and one positions to expand the mental health workforce by evaluating the licensing process, providing scholarships for behavioral health technicians, and funding a workforce training director.
- **Expand Boost 200.** Recommends \$575,000 GF each year to contract with the Virginia Health Care Foundation to pay for costs of supervisory hours required for licensure in social work or counseling.
- **Fund Grow Your Own.** Proposes \$806,628 GF the first year for Grow Your Own at state facilities. This program would pay the educational cost of employees who wish to become licensed practical nurses or registered nurses if the employee signs a tenure agreement that demonstrates their commitment to continue working at the facility.
- **Enhance Training for Preadmission Screening Clinicians.** Proposes \$300,000 GF the first year to update training modules for certified preadmission screening clinicians to add quality management modules and to comply with Americans with Disabilities Act requirements.

State Facilities

- **Fund Salary Alignment for Clinical Roles.** Recommends \$11.4 million GF each year to increase salaries for clinical roles at state facilities, including psychologists, social workers, counselors, therapists, medical lab technicians, and pharmacists.
- **Fund Salary Alignment for Food and Environmental Services Staff.** Provides \$8.5 million GF each year to provide targeted salary increases to food services and environmental services staff at state facilities.
- **Fund Temporary Kitchen at Eastern State.** Recommends \$2.3 million GF the first year for temporary kitchen and reimbursement staff space for Eastern

State Hospital while the facility's kitchen is undergoing renovations. Existing agency resources have been used to pay for the temporary kitchen space since January 2022.

- **Fund Clinical Training Sites.** Proposes \$741,989 GF the first year and \$711,989 GF the second year for state facilities to partner with academic institutions to allow the facilities to serve as clinical training sites for medical residents, nurses, nurse practitioners, physician assistants, and other licensed mental health professionals.
- **Adjust Appropriation to reflect Anticipated Revenues.** Recommends a reduction of \$10.6 million NGF each year to account for lower expected revenues for the state's mental health hospitals and intellectual disability training centers.

Central Office

- **Fund Peer to Peer Mentoring Program.** Recommends \$214,250 GF each year to fund the Peer-to-Peer Mentoring Program through the ARC of Virginia. This program connects individuals with intellectual or developmental disabilities with self-advocacy mentors to promote independence and inclusion.
- **Add New Positions in Developmental Disabilities Division.** Proposes \$490,222 GF and \$490,222 NGF each year to fund eight new positions in the developmental disabilities division.
- **Fund Credentialing Database.** Recommends \$1.0 million GF each year to contract with a vendor for a credentialing database for youth mental health services.
- **Transfer Appropriation for Administrative Support of Opioid Abatement Authority.** Proposes a transfer of \$200,000 NGF each year from the Virginia Department of Health (VDH) to perform administrative services for the Opioid Abatement Authority (OAA). The OAA had been paying VDH for such services.
- **Transfer Resources to Fund Developmental Disability Waiver Responsibilities.** Recommends a transfer of \$85,000 GF and \$85,000 NGF to

the Department of Medical Assistance Services to support agency responsibilities associated with developmental disability waiver services that were transferred effective July 1, 2023.

Savings Proposals

- **Reduce Funding for Local Inpatient Purchase of Service.** Recommends capturing \$1.2 million GF each year in anticipated balances for local inpatient purchase of service funds. Funds appropriated for this purpose have been underutilized over the last two years.
- **Use Crisis Call Center Fund Balances to Support Crisis Efforts.** Includes savings of \$3.2 million GF the first year and \$500,000 GF the second year by using balances from the Crisis Call Center Fund in lieu of general fund appropriation for the staffing and maintenance costs of the 988 call center.
- **Reduce Funding for Maintenance of Central Virginia Training Center Grounds.** Recommends savings of \$1.0 million GF each year for the maintenance of Central Virginia Training Center buildings and grounds as the facility is now closed and intended to be sold during the biennium.
- **Capture Underutilized Funds for Children's Inpatient Services.** Proposes to capture \$800,000 GF each year in funding due to underutilized contracts for children's private inpatient behavioral health services. The remaining funds provide \$7.6 million each year for this purpose.
- **Reduce Funding for Appalachian Telemental Health.** Recommends capturing \$1.1 million GF in the first year in anticipation of balances in FY 2024 that can be utilized to provide telehealth services pursuant to mandatory carryforward language for this item.
- **Eliminate technology contract.** Recommends savings of \$180,604 GF each year by eliminating a technology contract with Gartner, which provides information technology consulting services for the agency.

Language

- **Provide Emergency Regulatory Language for Behavioral Health Services.** Recommends language to allow the Department of Behavioral Health and Developmental Services to pursue emergency regulatory changes to align licensing regulations with planned changes to Medicaid behavioral health services.
- **Combine Funding for Alternative Transportation and Custody.** Proposes to combine funding and language for alternative transportation and alternative custody to provide needed flexibility to target resources toward the specific needs of each community. The combination of the funding would ensure that the elements of the emerging system are compatible with one another and support continuous care of the population.
- **Allow Funds for Dementia Behavioral Specialists to be Used for Geriatric Population.** Recommends modifying language to allow dementia-specific funding to be used for all geriatric individuals.
- **Add Flexibility for Drug Court Funding.** Proposes to amend language that restricts existing funding to only drug treatment courts to include other specialty dockets, such as veterans and behavioral health dockets.
- **Provide Flexibility for Pilot Funding for Inpatient Admission Alternatives.** Recommends amending language for alternative inpatient treatment options to allocate \$5.0 million GF each year for alternative options to state behavioral health hospital care for patients designated as forensic who are admitted to, or at risk of admission to, state hospitals.
- **Amend Language to Allow Dementia Funds to be Used for Discharge and Diversion of Older Adults.** Proposes to modify language to allow dementia-specific funding to be used for all geriatric individuals. Funding of \$1.7 million GF was previously provided to fund pilot programs to assist in discharging individuals with dementia from state mental health hospitals. This change allows the funding to be used for all older individuals even without a diagnosis of dementia.

- **Support Complex Hospital Discharges.** Proposes to amend language for alternative inpatient treatment options to allocate \$1.5 million for non-inpatient services for individuals at risk of discharge from a private inpatient setting into a state facility setting. Some individuals may not need continued hospitalization, but a lack of community-based transition services leaves them as likely candidates for admission to state facilities.
- **Combine Developmental Disability Waiver Reporting Requirements.** Recommends combining multiple reports related to developmental disability Medicaid waiver reporting into one annual report.

– **Department for Aging and Rehabilitative Services**

- **Adjust State Support for Centers for Independent Living Salaries and Ensure Operational Data is Available.** Proposes \$37,423 GF each year for the Centers for Independent Living to reflect the latest statewide salary actions. Accompanying language requires the department to collect data on the total operating budget of each Center for Independent Living including the total amount of state dollars provided to each.

– **Department of Social Services**

Child Welfare Programs and Services

- **Fund the Child Welfare Forecast.** Includes \$1.5 million GF the first year and \$1.7 million GF the second year and reduces \$6.4 million NGF the first year and \$6.6 million NGF the second year to adjust funding for the costs of providing foster care and adoption subsidy payments. Based on recent expenditure trends and the impact of child welfare policy changes, this amendment adjusts the appropriation for the necessary costs of providing payments to foster care and adoptive families.
- **Fund Foster Care and Adoption Cost of Living Adjustments.** Recommends \$3.5 million GF and \$3.1 million NGF each year to raise maximum maintenance payments made to foster family homes on behalf of foster children by seven percent, which corresponds with the salary increase provided to state employees in 2023. This increase is also assumed for adoption subsidy funding to

ensure that adoption subsidies keep pace with foster family rates and to avoid any disincentives to adoption. This increase also provides funding for expedited maintenance payments to be issued to foster parents within ten days of accepting placement of children in foster care.

- **Sustain the Relative Maintenance Payment Program and Fund Supports for Kinship and Alternative Living Arrangements.** Proposes \$8.1 million GF the first year and \$7.8 million GF the second year and one position to sustain the current relative maintenance payment program and to support additional kinship care placements. The relative maintenance payment program provides monthly payments to relative or fictive kin caregivers, with monthly payments averaging \$430 per month for each eligible child. Funding would sustain the current payments and account for anticipated new recipients. This proposal also supports additional kinship and alternative living arrangement placements by funding training and background checks for relative caregivers, upgrading technological support systems, and providing support to local departments to handle the increased caseload. Local departments of social services will also receive \$250 bonus payments for certain kinship care placements. There are companion amendments to this proposal at Virginia State Police and Office of Children's Services.

Supplemental Nutrition Assistance Program (SNAP)

- **Provide Funding for SNAP Overissuance Settlement Agreement.** Recommends \$1.4 million GF the first year and \$1.3 million GF the second year to meet the terms of the settlement agreement with the United States Department of Agriculture Food and Nutrition Services for an Emergency SNAP overissuance payment error from the fall 2021.
- **Increase Funding for the SNAP Electronic Benefits Transfer (EBT) Program Contract.** Proposes \$590,889 GF and \$590,889 NGF the first year and \$832,889 GF and \$832,889 NGF the second year to fund the increasing costs of the SNAP EBT contract. The SNAP EBT processor has increased labor and technology costs in its contract with DSS.

- **Fund Administration for the Summer EBT Program for Children.** Recommends \$2.9 million GF the first year and \$2.5 million GF the second year and \$2.9 million NGF the first year and \$2.5 million NGF the second year and one position to fund the administrative portion of the new federal permanent summer EBT program for children, which will begin in the summer of 2024. The program provides an additional \$40 a month for families during the summer to purchase groceries. The benefit amount is 100 percent federally funded. However, the administrative costs of the program are split between the federal government and the state. This program was made permanent by the federal Consolidated Appropriations Act of 2023.
- **Convert Part-Time SNAP Management Evaluation Reviewer Positions to Full-Time Positions.** Proposes \$113,224 GF and \$113,224 NGF each year and five positions to convert part-time SNAP evaluation reviewer positions to full-time. This conversion will allow for more comprehensive monitoring of and compliance with the federal SNAP program.

Temporary Assistance for Needy Families (TANF) – (See TANF table at end of section)

- **Fund the TANF benefits and Virginia Initiative for Education and Work Childcare Forecast.** Recommends reducing \$1.0 million GF the first year and \$2.6 million GF the second year and increasing by \$10.6 million NGF the first year and \$12.1 million NGF the second year to update the funding to account for the anticipated cost of providing mandated TANF benefits. Benefits include cash assistance payments, employment services, and Virginia Initiative for Education and Work childcare. The GF amounts also reflect adjustments to the state-funded Unemployed Parents program.
- **Address the TANF Grant Shortfall.** Proposes \$600,000 GF the first year and \$9.6 million GF the second year and reduces \$1.0 million NGF the first year and \$11.1 million NGF the second year to adjust the TANF block grant allocations to match the projected shortfall in appropriation in each year. Replaces TANF funds with GF for Early Impact beginning in FY 2025 and for employment and training

grants beginning in FY 2026. There are corresponding proposals in the Virginia Department of Health that move TANF funding for the Families Forward and Resource Mothers initiatives to GF beginning in FY 2025 and Long Acting Reversible Contraceptives and other contraceptives to GF beginning in FY 2026. The proposal also removes \$500,000 in unused TANF appropriation for Family Restoration Services in Hampton (\$250,000), Portsmouth Volunteers for the Homeless (\$125,000), and Menchville House (\$125,000). The TANF allocations for these organizations were originally provided in FY 2021 but have never been used. Lastly, the TANF funding for the Two Family/Whole Generation Pilot ends in FY 2025.

Information Technology System Increases

- **Modernize the Child Support Information System.** Proposes \$15.5 million NGF the first year and savings of \$4.1 million NGF the second year to update the cost of developing an updated child support information system. This funding will allow the agency to replace the system instead of re-platforming it to ensure it is fully modernized to meet customer needs.
- **Add Mandatory Carryforward Language for Unspent Comprehensive Child Welfare Information System Funding.** Recommends budget language to provide flexibility to continue developing and building the new system without any potential delays in funding due to requesting carryforward of appropriation through the Governor's discretionary process.

Other Spending Increases

- **Fund Increase in Contract Costs for Income Verification for Public Benefits.** Proposes \$6.0 million GF and \$6.0 million NGF each year to increase funding for a vendor contract that provides income verification for public benefits. This funding accounts for the cost increase related to the contract's renewal.
- **Fund Adult Protective Services Hotline Capacity.** Includes \$246,548 GF each year to fund the increasing number of adult protective services calls to the child protective services hotline. Legislation in 2013 relocated the Adult Protective Services program to the Department for Aging and Rehabilitative Services from

the Department of Social Services (DSS), but did not establish a separate hotline structure, resulting in DSS continuing to manage hotline operations.

- **Provide Funding for Fatherhood Programs.** Proposes \$1.5 million GF the first year and \$2.5 million GF the second year for a public media campaign to promote responsible and involved fatherhood and to develop and implement education programming and support services for fathers. Educational materials will be developed and disseminated to local departments of social services and other applicable agencies.
- **Support the Judge Swett Learning Center.** Recommends \$500,000 GF each year for the Judge Swett Learning Center to promote vocational and educational classes for ex-offenders.
- **Fund Advanced Contact to Medicaid Recipients at Renewal.** Recommends \$50,000 GF and \$50,000 NGF the first year for the department to initiate a pilot program to send a text message to Medicaid recipients prior to renewal to determine if continued enrollment is desired.
- **Fund Background Checks for Local Department of Social Services Employees and Contractors.** Proposes \$72,215 GF and \$104,660 NGF the first year to background check all local departments of social services employees, contractors, and candidates for employment. Once all employees are background checked, the department can utilize the federal Income Eligibility Verification System during the determination of Temporary Assistance for Needy Families program eligibility.
- **Transfer Housing Funding for Youth Aging Out of Foster Care from the Department of Housing and Community Development.** Transfers \$564,000 GF each year from the Department of Housing and Community Development to provide housing supports to youth aging out of foster care.

Savings

- **Recognize Savings from Reducing Prevention Services Funding.** Proposes to reduce \$5.0 million GF and \$5.0 million NGF each year in unspent

appropriation for the implementation of the federal Family First Prevention Services Act.

- **Recognize Savings from Rent Decrease.** Recommends a reduction of \$525,158 GF and \$787,737 NGF each year from an annual rent reduction related to the agency's central office move. In January 2024, the agency's central office is moving from downtown Richmond to western Henrico County.

Nongeneral Fund Increases

- **Appropriate Additional Federal Award Funding for Refugee Resettlement.** Proposes \$46.5 million NGF each year for additional federal appropriation for the Refugee Resettlement Program due to an increase in the federal award.
- **Appropriate Nongeneral Funds for Local Staff and Operations.** Recommends \$42.6 million NGF each year to fund the nongeneral fund portion of the salary increases for state-supported local employees and increases the federal appropriation for pass through funding at local departments of social services.

– Department for the Blind and Vision Impaired

- **Authorize Treasury Loan to Facilitate New Navy Contract.** Recommends language requiring the Department of Accounts to provide a treasury loan to the Department for the Blind and Vision Impaired to finance up to \$3.5 million of its enterprise division's contract to supply Naval Station Norfolk Ship Stores with commercial products. This treasury loan is limited to financing the cost of procuring wholesale merchandise for retail sale on navy ships and will be repaid with enterprise revenues.
- **Adjust Appropriation and Positions to Reflect Current Services.** Proposes to reduce \$4.3 million NGF and two positions each year to reflect current operations of the agency. The appropriation is reduced and aligned to ensure that all agency services are properly budgeted. In addition, the agency is removing two positions for which there is no longer funding to support.

– **Virginia Rehabilitation Center for the Blind and Vision Impaired**

- **Reduce Position Level to Reflect Available Resources.** Recommends reducing by four positions the agency's position count from 26 to 22 in order to remove positions for which there is no longer funding to support.

– **Opioid Abatement Authority**

- **Provide Base Appropriation for the Opioid Abatement Authority.** Proposes \$66.1 million NGF the first year and \$76.1 million NGF the second year for initial base appropriation for the Opioid Abatement Authority (OAA) and for grants, loans, and awards, including administrative costs. The OAA was created by the General Assembly in 2021 to abate and remediate the opioid epidemic by distributing grants, loans, and awards to treat, prevent, and reduce opioid use disorder. Financial assistance offered through the OAA comes from settlement funds paid to Virginia by prescription opioid manufacturers and distributors.

TANF Block Grant Funding		
FY 2025 and FY 2026		
	FY 2025	FY 2026
TANF Resources		
Annual TANF Block Grant Award	\$157,762,831	\$157,762,831
Carry-Forward From Prior Fiscal Year	<u>24,552,371</u>	<u>739,533</u>
Total TANF Resources Available	\$182,315,202	\$158,502,364
TANF Mandated Services		
<i>TANF Income Benefits</i>	\$31,462,593	\$21,600,339
Emergency and Diversionary Assistance	139,935	139,935
VIEW Employment Services	9,000,000	9,000,000
VIEW Child Care Services	2,659,033	2,659,033
TANF Caseload Reserve	1,000,000	1,000,000
TANF State/Local Operations	<u>\$62,995,763</u>	<u>\$62,995,763</u>
Subtotal Mandated Services	\$107,257,324	\$97,395,070

**TANF Block Grant Funding
FY 2025 and FY 2026**

	FY 2025	FY 2026
<i>TANF Programming</i>		
Healthy Families/Healthy Start	\$9,035,501	\$9,035,501
<i>Community Employment & Training Grants</i>	9,000,000	<i>Move to GF</i>
Community Action Agencies (CAAs)	9,250,000	9,250,000
<i>CAA Two Generation/Whole Family Pilot</i>	1,125,000	0
Local Domestic Violence Prevention Grants	3,846,792	3,846,792
<i>Long Acting Reversible Contraceptives</i>	4,000,000	<i>Move to GF</i>
Federation of Virginia Food Banks	3,000,000	3,000,000
<i>Families Forward Virginia (formerly CHIP of VA in VDH)</i>	<i>Move to GF</i>	<i>Move to GF</i>
Virginia Early Childhood Foundation	1,250,000	1,250,000
Boys and Girls Clubs	2,000,000	2,000,000
Child Advocacy Centers	2,136,500	2,136,500
Northern Virginia Family Services	2,000,000	2,000,000
<i>Resource Mothers (VDH)</i>	<i>Move to GF</i>	<i>Move to GF</i>
<i>Early Impact Virginia (home visiting training, monitoring)</i>	<i>Move to GF</i>	<i>Move to GF</i>
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
Lighthouse Community Center	190,000	190,000
Cornerstones	750,000	750,000
<i>Family Restoration Services in Hampton</i>	0	0
<i>Portsmouth Volunteers for the Homeless</i>	0	0
<i>Menchville House</i>	0	0
Good Shepard Housing and Family Services	200,000	200,000
Income Verification for Public Benefits Contract	1,012,724	1,012,724
NGF for Local Staff and Operations	5,549,118	5,549,118
Background Checks for Local DSS Employees & Contractors	11,485	0
Subtotal TANF Programming	\$58,492,845	\$44,356,360
Transfers to other Block Grants/Cost Avoidance	\$15,825,500	\$15,825,500
Total TANF Expenditures & Transfers	\$181,575,669	\$157,576,930

Labor

Governor’s Proposed Adjustments to Labor				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$15.3	\$676.7	\$15.3	\$676.7
Base Budget Adjustments	0.6	20.9	0.6	20.9
Adjusted Base Budget	\$15.9	\$697.6	\$15.9	\$697.6
Proposed Increases	10.3	134.3	6.1	130.7
Proposed Decreases	<u>(2.0)</u>	<u>(75.0)</u>	<u>(2.1)</u>	<u>(75.0)</u>
\$ Net Change	\$8.3	\$59.3	\$4.1	\$55.7
HB/SB 30, as Introduced	\$24.2	\$756.9	\$19.9	\$753.3

– **Secretary of Labor**

- **Fund Additional Staff.** Proposes \$130,000 GF and one position each year to increase capacity in the Office of the Secretary of Labor. The office would have five positions if this action were adopted.

– **Department of Labor and Industry**

- **Reduce Funding for Field Office Consolidation.** Proposes to capture \$41,842 GF savings each year resulting from planned consolidation of field offices.
- **Transfer Apprenticeship Program.** Recommends transferring \$2.0 million GF and 21.0 positions in each year for the registered apprenticeship program to the Department of Workforce Development and Advancement. The transfer implements the provisions of Chapters 624 and 625, 2023 Virginia Acts of Assembly.

- **Eliminate Apprenticeship Federal Grant Fund.** Recommends removal of \$556,938 NGF and 3.0 positions each year to reflect the expiration of a federal Apprenticeship State Expansion grant. It is anticipated that future grants will be reflected in the appropriation for the Department of Workforce Development and Advancement.

– **Department of Professional and Occupational Regulation**

- **Replace Mission Critical Systems.** Proposes \$5.1 million NGF the first year and \$1.5 million NGF the second year for replacement of three mission critical systems for licensing and enforcement, as recommended by a 2018 Joint Legislative Audit and Review Commission report.
- **Maintain Legacy Systems.** Recommends \$856,300 NGF each year to reflect the cost of maintaining existing software systems.

– **Department of Workforce Development and Advancement**

- **Establish Department of Workforce Development and Advancement.** Proposes a transfer of \$2.0 million GF and \$128.3 million NGF and 459.0 positions each year to establish the Department of Workforce Development and Advancement as a state agency. The Department will consolidate apprenticeship and workforce development programs from the Virginia Community College System, Department of Labor and Industry, and Virginia Employment Commission, in accordance with Chapters 624 and 625, 2023 Acts of Assembly.
- **Fund Apprenticeship Grant Program.** Recommends \$2.0 million GF each fiscal year to develop a registered apprenticeship grant program to increase the number of apprentices in the Commonwealth. Grants of up to \$2,000 per apprentice would be awarded to eligible businesses that establish a new apprenticeship program or hire additional apprentices after January 1, 2024.
- **Start Up Costs for New Department.** Proposes \$3.2 million GF the first year for one-time costs associated with the transition of programs and employees to the Department of Workforce Development and Advancement. Funding will be used

for information security and technology integration, office space leasing, and office space moving expenses.

- **Fund Healthcare Workforce Training Program.** Recommends \$1.0 million GF the first year to establish a program to connect jobseekers in Southeastern Virginia to healthcare skills training and supportive services in Hampton Roads health care industry.
- **Continue Hampton Roads Skilled Trades Rapid On-ramp.** Recommends \$2.0 million GF in each year to continue support for the Hampton Roads Skilled Trades Rapid On-ramp for Growth. The proposal would transfer appropriation from Central Accounts to continue support of the initiative.

– **Virginia Employment Commission**

- **Ensure Federal Conformity.** Includes a language-only amendment to ensure that Virginia remains in conformity with federal law.
- **Impose Fee Structure for Administrative Costs.** Proposes a language-only amendment to authorize the Commission to promulgate emergency regulations to establish and implement an administrative fee to support critical technology and staffing requirements. The proposed language further states that the Commission would reduce employer taxes by a corresponding amount to ensure that the administrative fee is revenue neutral. The administrative fee is capped at five percent of total taxes that would otherwise be collected, and the Commission will need to ensure that the fee conforms with federal requirements.
- **Provide a Line of Credit.** Recommends a \$30.0 million line of credit for administration of unemployment compensation programs during times of significant increases in unemployment. The authorization defines the parameters for accessing the line of credit.
- **Transfer Funds and Positions to the Department of Workforce Development and Advancement.** Recommends transferring \$94.5 million NGF and 400.0 positions to the Department of Workforce Development and

Advancement. The transfer implements the provisions of Chapters 624 and 625, 2023 Virginia Acts of Assembly.

Natural and Historic Resources

Governor’s Proposed Adjustments to Natural and Historic Resources				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$859.3	\$384.1	\$859.2	\$384.1
Base Budget Adjustments	(661.2)	10.7	(661.1)	10.7
Adjusted Base Budget	198.1	394.8	198.1	394.8
Proposed Increases	480.7	76.5	10.0	8.4
Proposed Decreases	<u>(3.4)</u>	<u>0.0</u>	<u>(3.4)</u>	<u>0.0</u>
\$ Net Change	\$477.3	\$76.5	\$6.6	\$8.4
HB/SB 30, as Introduced	\$675.4	\$471.3	\$204.7	\$403.2

– **Office of the Secretary of Natural and Historic Resources**

- **Cap Amount of the Water Quality Improvement Fund Reserve.** Proposes an exception to the required deposit to the Water Quality Improvement Fund Reserve if the balance in the reserve is greater than \$100.0 million. Under existing provisions, 15 percent of any amounts appropriated to the Water Quality Improvement Fund resulting from annual general fund revenue collections in excess of the official estimates are deposited to the reserve.

– **Department of Conservation and Recreation**

- **Reduce Appropriation to the Water Quality Improvement Reserve Fund.** Recommends a reduction of \$1.0 million GF in the deposit to the Water

Quality Improvement Reserve Fund each year. The deposit is generated from tax collected on watercraft fuel sales, and the deposit would be reduced to \$1.6 million each year.

- **Norfolk Coastal Storm Risk Management Project.** Proposes \$73.9 million GF the first year to support the Norfolk Coastal Storm Risk Management Project to protect the city from coastal flooding and damage from significant storm events. In addition, budget language authorizes the Secretary of Finance to issue a \$21.0 million GF treasury loan to further contribute to the non-federal match, provided that the City pledge revenue generated through casino gambling to the project.
- **Study Acquisition and Development of Oak Hill.** Recommends \$150,000 GF the first year assess the challenges, upfront costs, and future obligations associated with acquiring and developing Oak Hill as a state park. Oak Hill, in Loudon County, was the home of James Monroe.
- **Fund Additional Law Enforcement Positions.** Proposes \$772,000 GF the first year and \$662,000 GF the second year to support four additional law enforcement positions.
- **Emergency Vehicle and Equipment Needs.** Recommends \$1.4 million GF the first year and \$38,000 GF the second year to update the agency's fire management and firefighting fleet vehicles, including fire trucks, utility task vehicles, and periodic replacement of personal protective gear and hand tools.
- **Fund Operations of Hayfields State Park.** Proposes \$1.1 million GF in FY 2025 and \$783,004 GF in FY 2026 and four positions to support the operations of Hayfields State Park in Highland County.
- **Water Quality Improvement Fund Discretionary Deposit.** Proposes a discretionary deposit to the Water Quality Improvement Fund (WQIF) of \$138.1 million GF and \$63.0 million NGF in the first year. Of these amounts, \$19.2 million GF is directed to specific uses and \$118.8 million GF is transferred

to the Virginia Natural Resources Commitment Fund for agricultural best management practices and technical assistance.

In addition, the \$63.0 million NGF deposited to the WQIF is to be distributed, subject to approval by the Virginia Soil and Water Conservation District Board, to matching grants for agricultural best management practices and technical assistance in accordance with the board's existing policies. The source of the NGF support is the Monsanto class action settlement.

The discretionary deposit to the WQIF provides sufficient resources to meet the agricultural best management practices needs assessment requirements as identified by the workgroup convened to fulfill the statutory obligations of § 10.1-2128.1, Code of Virginia.

- **Support for Breaks Interstate Park.** Recommends an increase of \$285,000 GF each year in operating support for Breaks Interstate Park. This action will bring the Commonwealth's contribution to \$560,000 GF annually.
- **Provide Support to the Virginia Community Flood Preparedness Fund.** Proposes a \$100.0 million GF deposit the first year to the Virginia Community Flood Preparedness Fund for community scale flood resilience grants and loans.
- **Fund District Support Services.** Proposes \$97,000 each year for auditing and legal services from the Office of the Attorney General for the soil and water conservation districts. A companion proposal under the Office of the Attorney General removes language prohibiting the charging of fees to the districts.
- **Dam Safety Program.** Recommends \$642,446 GF and \$642,446 NGF the first year and \$522,446 GF and \$522,446 NGF the second year and six positions each year for the dam safety program. The state general fund support would be matched with federal support for dam safety technical assistance and enhancements.
- **Offset Revenue Impact of Free Admission for Virginia National Guard.** Recommends an additional \$20,000 GF each year to address revenue loss associated with providing free admission to the state parks for members of the Virginia National Guard.

- **Support the Resilient Virginia Revolving Loan Fund.** Proposes a one-time deposit of \$25.0 million GF the first year to the Resilient Virginia Revolving Loan Fund for property-level flood resilience enhancements.
- **Provide Support for the Dam Safety, Flood Prevention, and Protection Assistance Fund.** Recommends a deposit of \$5.0 million GF the first year for grants to local governments and private dam owners for dams that are subject to state regulation.
- **Fund Clinch River State Park.** Proposes \$323,122 GF the first year and \$275,970 GF the second year and two positions for public safety, maintenance, and visitor services at Clinch River State Park in Wise County.
- **Support Culpeper Battlefields State Park.** Recommends \$1.2 million GF the first year and \$965,169 GF the second year and five positions each year to develop and operate Culpeper Battlefields State Park in Culpeper County.
- **Shift Cost-Share Funds.** Proposes a language-only amendment to authorize the Virginia Soil and Water Conservation Board to use unobligated cost-share funding from prior year allocations for technical assistance provided by local soil and water conservation districts. The funding is limited to the current Appropriation Act percentage for technical assistance funding, as outlined in the budget.
- **Capital Outlay.** Proposes \$10.7 million NGF the first year for state park land acquisition, climate control of state park yurts, Buffalo Mountain Natural Area, and Underground Storage Tank Remediation, Phase I.

– Department of Environmental Quality

- **Adjust Funding for the Clean Water Revolving Loan Fund Match.** Recommends a reduction of \$1.5 million GF each year to reflect the state match for federal funds supporting Clean Water Revolving Loan Fund activities.
- **Fund Chesapeake Bay Monitoring and Assessment.** Proposes \$4.4 million GF the first year and \$4.1 million GF the second year for weekly and continuous monitoring and evaluation of dissolved oxygen attainment in the Chesapeake Bay.

- **Support for Technical Evaluation Capacity in Groundwater Permitting.** Recommends \$400,000 GF each year to procure technical evaluation modeling services required for groundwater permit issuance and renewal.
- **Supplement Air Permitting Program Funding.** Proposes \$675,000 GF each year to supplement fee revenue to support Title V permitting. Title V permits are federally mandated operating permits that apply to the largest sources of air pollution and are renewed every five years. The general fund support would be used to reduce the existing permit backlog.
- **Provide Support for Richmond Combined Sewer Overflow.** Proposes \$50.0 million GF the first year for the City of Richmond’s combined sewer overflow project.
- **Fund Bristol Landfill Remediation.** Proposes \$35.0 million the first year for the City of Bristol to continue resolution of the ongoing health, environmental, and quality of life issues associated with its landfill. The funding is contingent on execution of a memorandum of understanding between the locality and the department.
- **Align Nongeneral Fund Appropriations with Projected Expenditures.** Recommends a series of proposed technical amendments provides a net increase of \$3.9 million NGF each year.

– **Department of Wildlife Resources**

- **Provide Appropriation for Wildlife Restoration.** Recommends \$2.7 million NGF in each year to appropriate anticipated federal funding for wildlife restoration projects.
- **Address Salary Compression for Law Enforcement Positions.** Proposes an additional \$684,600 NGF each year to address salary compression in the agency’s law enforcement positions. The source of the funding is a corresponding increase in the transfer from the general fund to the Game Protection Fund associated with sales and use tax proceeds generated by hunting and fishing equipment (also known as “HB38 funding”).

- **Fund Freshwater Mussel Restoration.** Recommends \$2.0 million NGF the first year for freshwater mussel restoration. The source of the one-time funding is the Monsanto class action legal settlement.
- **Capital Outlay.** Proposes an additional \$5.0 million NGF each year to supplement the agency’s existing capital outlay umbrella project for land and property acquisition.

– **Department of Historic Resources**

- **Create Capital Grant Program for Semiquincentennial Celebration.** Proposes a one-time appropriation of \$35.0 million GF the first year for a grant program to support improvements at significant historic sites in Virginia. Budget language requires the department to establish guidelines and procedures for awarding funding.
- **Fund Additional Finance Positions.** Proposes \$286,396 GF and two positions each year to support critical fiscal management activities, including grants management, procurement, and accounts receivable/payable processing.
- **Fund Deputy Director of Preservation Programs.** Recommends \$189,890 GF and one position each year to support a Deputy Director of Preservation Programs position to provide senior subject matter expertise in preservation and leadership and oversight of state and federal preservation programs administered by the agency.
- **Provide Support for the Black, Indigenous, and People of Color (BIPOC) Preservation Fund.** Proposes \$1.0 million GF the first year for the grant program to support the acquisition, protection, and rehabilitation of tribal and BIPOC historic and archaeological sites of significance. Additionally, proposes modifications to the Appropriation Act language to ensure funding is used consistent with the legislative intent and address a technical issue.
- **Support for the Virginia Battlefield Preservation Fund.** Proposes \$5.0 million the first year in additional support for the Virginia Battlefield Preservation Fund.

– **Marine Resources Commission**

- **Reduce Oyster Restoration Funding.** Proposes a \$500,000 GF reduction each fiscal year in support of oyster restoration activities. The reduction would leave \$1.5 million GF each year for the management and cultivation of native oyster reefs.
- **Remove Outboard Motor Funding.** Recommends a reduction of \$14,710 GF each year in funding provided for watercraft equipment replacement.
- **Marine Habitat and Waterways Improvement Fund.** Proposes a \$387,265 GF reduction and corresponding \$387,265 NGF increase each year to supplant general fund support for positions with nongeneral fund resources from the Marine Habitat and Waterways Improvement Fund. The nongeneral fund revenue is generated through permit fee revenue for the use of state-owned bottomlands, and the permit revenue varies each year.
- **Funding to Address Salary Compression in Law Enforcement.** Recommends \$709,583 GF each fiscal year to address salary compression in the agency's law enforcement positions.
- **Fund Oyster Replenishment Support.** Proposes \$3.0 million NGF the first year to support expansion of the Virginia Oyster Replenishment Program. The source of the one-time funding is the Monsanto class action legal settlement.

Public Safety and Homeland Security

Governor’s Proposed Adjustments to Public Safety and Homeland Security				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$2,501.1	1,484.5	\$2,501.1	1,484.5
Base Budget Adjustments	149.7	21.1	149.7	21.1
Adjusted Base Budget	\$2,650.8	\$1,505.5	\$2,650.8	\$1,505.5
Proposed Increases	76.1	32.8	53.2	84.1
Proposed Decreases	<u>(57.9)</u>	<u>(1.2)</u>	<u>(69.3)</u>	<u>(1.2)</u>
\$ Net Change	\$18.2	\$31.6	(\$16.1)	\$82.9
HB/SB 30, as Introduced	\$2,669.0	\$1,537.2	\$2,634.7	\$1,588.5

– **Secretary of Public Safety and Homeland Security**

- **Remove Study Funding.** Proposes to remove \$500,000 GF each year that was first appropriated in Chapter 836, 2017 Acts of Assembly, for the cost of the nonfederal match for a U.S. Corps of Engineers Regional Reconnaissance Flood Control Study. The funding is no longer needed.

– **Commonwealth’s Attorneys’ Services Council**

- **File Sharing Software.** Recommends \$7,335 GF the first year for the initial licensing fee for a secure data file sharing and cloud storage program. Ongoing subscription costs were provided in Chapter 1, 2023 Special Session I Acts of Assembly and are included in the agency’s base budget.

– **Virginia Alcoholic Beverage Control Authority**

- **New Stores.** Proposes \$563,478 NGF the first year and \$1.7 million NGF the second year to support four new ABC stores.
- **Cost of Goods Sold.** Recommends \$48.9 million NGF the second year to cover increases in the costs of goods sold in ABC retail stores.
- **Profit Transfer.** Includes a transfer of ABC net profits to the general fund of \$206.2 million the first year and \$231.0 million the second year. The first-year transfer is \$52.6 million (34.3 percent) higher than the FY 2024 profit transfer required by Chapter 1, 2023 Special Session I Acts of Assembly and \$32.1 million (18.4 percent) higher than the FY 2024 profit transfer assumed in the Governor’s introduced budget (SB 29). The proposal assumes ABC store revenue sales growth of 5.1 percent in FY 2024, 5.0 percent in FY 2025, and 5.0 percent in FY 2026, compared to actual sales growth of 4.9 percent in FY 2023. The proposal also assumes a reduction in annual operating costs compared to ABC’s FY 2023 operating costs of \$319.6 million, by assuming operating costs of \$318.5 million in FY 2024, \$313.4 million in FY 2025, and \$316.7 million in FY 2026.

– **Virginia Cannabis Control Authority**

- **Expected Fee Revenue.** Recommends \$908,818 NGF each year to account for expected revenue from pharmaceutical processor fees. The amount is expected to cover eight positions supporting the medical cannabis program.
- **Reduce Operating Budget.** Proposes to reduce the Cannabis Control Authority’s base operating budget by \$1.0 million GF each year, with the Authority determining the source of the reductions.
- **Reduce Authorized Position Level (Technical).** Recommends reducing the Authority’s maximum employment level by seven positions, which are not needed under the Authority’s existing statutory duties. Includes a redistribution of positions between NGF and GF, for a total of 34 GF positions and eight NGF positions each fiscal year.

- **Maintains Language Allowing Two Processing Sites During Transition Period.** Proposes to maintain language adopted during the 2022 Special Session I Session that allows pharmaceutical processor licensees to cultivate and manufacture cannabis at two sites during a transition period to a new site that is limited to “the life of this Act.” Language was previously included under the Board of Pharmacy, which is transferring administration of the medical cannabis program to the Cannabis Control Authority, effective January 1, 2024.

– **Department of Corrections**

- **Transition Lawrenceville from Privately Managed to State-Run.** Recommends \$24.5 million GF the first year and \$18.4 million GF the second year for the state to assume direct management of Lawrenceville Correctional Center from the Geo Group, a third-party contractor. The proposal assumes costs each year for 422 full-time employees (including security, instruction, counseling, medical services, etc.) and inmate services, net \$28.6 million in FY 2024 Geo contract costs assumed in the Department’s base budget. The first year proposed amount also includes funding to support final Geo payments, as well as equipment purchases and start-up costs.
 - Senate Bill 29 proposes an additional \$5.3 million GF in FY 2024 to phase in 312 full-time employees between January 2024 and May 2024.
- **Career Progression Program.** Proposes \$9.5 million GF each year to establish a career progression ladder for correctional officers. The program would add career steps to allow for promotion within ranks based on demonstrated competencies. For example, correctional officers could advance to the role of senior corrections officer, lead corrections officer, and master corrections officer either before or in lieu of pursuing a supervisory sergeant position.
- **Operational Funding.** Recommends \$4.0 million GF each year to support cost increases for food, utilities, and other operational costs for Department of Corrections facilities.

- **Salary Increases for Vacant Positions.** Proposes \$2.9 million GF each year to fund previously enacted salary increases for additional security positions. Chapter 2, 2022 Special Session I Acts of Assembly, provided targeted salary increases for DOC security officers, but the amounts provided excluded 1,743 vacant security positions. This proposal would fund recent salary increases for 218 additional security officer positions, the majority of which remain vacant.
- **Full-Body Scanners.** Recommends \$3.5 million GF the first year and \$683,024 GF the second year to purchase and upgrade full-body scanners. This amount covers upgrades for existing scanners, including the addition of artificial intelligence software and connection to the agency’s network, and purchase of new scanners to provide every level 3 security facility at least two scanners and every level 2 facility at least one scanner.
- **Emergency Medical Services in Sussex.** Proposes \$500,000 GF each year to Sussex County to offset the costs of providing emergency medical transport for state-responsible inmates housed at Sussex State Prison.
- **Corrections Special Reserve Fund Deposit.** Recommends \$440,184 GF the first year for the deposit to the Corrections Special Reserve Fund necessitated by three pieces of legislation expected to be considered in the 2024 Session of the General Assembly, pursuant to § 30-19.1:45, Code of Virginia (“Woodrum” impact). The three bills are related to mandatory minimums for firearms-related offenses, drug-related paraphernalia and production, and felony homicide for certain drug-related offenses.
- **Renovate Franklin County Jail.** Proposes \$32,401 GF the first year for Franklin County Jail to upgrade its security systems, as approved by the Board of Local and Regional Jails in 2022. The state share represents 25.0 percent of the total renovation cost.
- **Corrections Construction Unit.** Recommends \$1.9 million NGF each year to increase the appropriation for the Department of Corrections’ inmate capital construction unit, which performs work on prison grounds and provides re-entry skill opportunities.

- **State Criminal Alien Assistance Program (SCAPP).** Proposes \$1.4 million NGF each year to account for expected U.S. Department of Justice grant awards to cover medical costs associated with non-resident inmates.
- **Line of Credit.** Recommends \$1.0 million NGF to provide an appropriation to support the Department’s existing line of credit supporting federal grant processing activities.
- **Capture Savings Associated with Facility Closures.** Proposes reducing DOC’s base budget by \$53.6 million GF the first year and nearly \$65.0 million GF the second year to recognize the closure of four DOC facilities: Augusta Correctional Center (Craigsville), Sussex II State Prison (Waverly), Haynesville Field Unit (Haynesville), and Stafford Community Corrections Alternative Program (Stafford). The savings were estimated using recent operating costs for the facilities, net estimated costs for severance, mothballing the facility, and maintaining necessary wastewater treatment operations. Two facilities have previously been taken offline due to staffing shortages (Sussex I and Haynesville Field Unit), and two are planned for future closure (Augusta Correctional Center in July 2024 and Stafford CCAP in January 2026).

Proposed Savings from DOC Facility Closures (GF \$ in millions)		
	<u>FY 2025</u>	<u>FY 2026</u>
Augusta Correctional Center	24.7	31.1
Sussex II State Prison	24.4	27.8
Haynesville Field Unit	2.7	2.7
Stafford CCCAP	<u>1.8</u>	<u>3.4</u>
Total	\$53.6	\$65.0

- **Reduce Operating Budget.** Recommends reducing the Department’s base operating budget by \$1.0 million GF each year, with the agency determining the source of the reductions.
- **Removing Funding for the Department of Motor Vehicles (DMV) Connect Program.** Proposes to remove \$200,000 GF each year for the DMV Connect program, which provides onsite DMV services for inmates. It is expected that this initiative can be combined with other re-entry programs.
- **Capital: Transfer VPBA Bond Appropriation to Renovate Bon Air Juvenile Correctional Center.** Recommends language to transfer \$2.6 million in unutilized VPBA bond authorization and appropriation from the Department of Corrections “*Equip Correctional Center in Culpeper County*” project 799-18136, as authorized in Item C-26-10, Chapter 2, 2014 Acts of Assembly, Special Session I, and amended by Item C-33, Chapter 780, 2016 Acts of Assembly, to support the Department of Juvenile Justice “*Renovate Bon Air Juvenile Correctional Center and Oak Ridge Juvenile Correctional Facility*” project in the 2024 State Agency Construction Pool. Language in Item C-55 also proposes to rescind “*Construct New Juvenile Correctional Center*” project 777-18286, as originally authorized in Chapter 759 and 769, 2016 Acts of Assembly, as amended by Item C-47, Chapter 2, 2018 Acts of Assembly, Special Session I, and Item C-47, Chapter 1283, 2020 Acts of Assembly.

Additionally, in Item 3-1.01 paragraph KK, language directs the Department of Corrections to sell the Culpeper Correctional Center and deposits the proceeds of the sale to the general fund notwithstanding § 2.2-1156, *Code of Virginia*.

– **Department of Criminal Justice Services**

- **Law Enforcement Recruitment and Wellness Program.** Proposes \$18.0 million GF the first year to establish a program to support state and local law enforcement, including \$15.0 million for recruitment strategies and \$3.0 million for mental health and wellness initiatives. Funding is designated as one-time and unexpended balances carry forward.

- Recruitment strategies would include sign-on bonuses of up to \$10,000 and relocation expenses of up to \$1,000. Strategies must target new recruitments or law enforcement officers living outside the Commonwealth or employed by the federal government, and may not reimburse employees moving or transferring within state and local law enforcement agencies.
- Mental health and wellness initiatives would be administered based on guidance issued by the DJCS Director.
- DCJS must submit a report to members of the General Assembly and the Administration describing annual amounts awarded and number of officers hired by October 1, 2024.
- **Offset Expected Declines in NGF Funding for the Victim-Witness Grant Program.** Recommends \$2.4 million GF the first year and \$4.8 million GF the second year to offset expected declines in federal grants and special revenue from state court fees. The Department estimates this amount is sufficient to maintain FY 2024 grant award levels.
- **Offset Expected Declines in Federal Funding for Sexual and Domestic Violence Agencies.** Proposes \$3.5 million GF the second year to offset expected declines in federal grants. The Department estimates that, combined with balances from a \$9.0 million NGF allocation from the federal American Rescue Plan Act (ARPA) provided in the last biennium, this amount will be sufficient to maintain FY 2024 grant award levels in FY 2025 and FY 2026.
- **Grants to Combat Hate Crimes.** Recommends an additional \$2.0 million GF the first year to increase grants to combat hate crimes, for a total of \$3.5 million GF in FY 2025 and \$1.5 million GF in FY 2026. Amends language to allow institutions and non-profit organizations to receive grants directly. Currently, only localities partnering with institutions and non-profit organizations are eligible.
- **Replace Credentialing Management System.** Proposes \$500,000 GF the first year to support a replacement credentialing management system for private security services, special conservators of the peace, bail bondsmen, bail enforcement agents, and tow truck drivers.

- **Remove Funding for a Vacant Position.** Recommends removing one position and associated funding of \$113,790 GF each year initially appropriated for a body-worn camera grant coordinator, since the grant funding is no longer available for distribution. Chapter 56, 2020 Special Session I Acts of Assembly, provided \$6.5 million GF in FY 2021 and \$113,790 GF in FY 2022 to support one-time grants to law enforcement agencies for body-worn camera expenses.
- **Technical: Reduce Authorized Position Level.** Proposes removing eight authorized positions for which funding was never provided. Chapter 2, 2022 Special Session I Acts of Assembly, did not include funding a Center for Firearm Violence Intervention and Prevention proposed in the introduced budget, but did not adjust the agency's position level accordingly.

– **Virginia Department of Emergency Management**

- **Disaster Logistics Support and Coordinator Center.** Recommends \$1.1 million GF each year for the operational and lease costs for the Department's central disaster warehouse.

– **Department of Fire Programs**

- **State Fire Marshal's Office.** Proposes \$434,000 GF each year to increase the base budget of the State Fire Marshal's Office to account for increased operational costs for fire inspections.
- **Fire Programs Fund.** Recommends nearly \$15.0 million NGF the first year and \$18.3 million NGF the second year to reflect projected revenue collection and expenditures from the Fire Programs Fund.
- **Authorize Five Positions.** Proposes five NGF positions for additional support staff, including a training certification manager, training certification technician, deputy communications manager, administrative assistant for logistical operations, and IT project manager.

– Department of Forensic Science

- **Increase Staffing in Evidence Receiving and DNA Sections.** Recommends \$503,574 GF the first year and \$579,524 GF the second year to increase DFS staffing levels, including:
 - \$225,548 GF each year to convert three evidence receiving technician positions from part-time to full-time, with the goal of improving retention and quality assurance; and
 - \$278,026 GF the first year and \$353,976 GF the second year for three forensic biology positions to address increasing caseloads.
- **Trace Evidence Collection Kit Legislation.** Proposes \$119,333 GF the first year and \$163,442 GF the second year for one position and supplies to support the provision of trace evidence collection kits to victims of strangulation, pursuant to Chapter 312, 2023 Acts of Assembly.
- **Continue Cell Phone Software Subscriptions.** Recommends \$107,770 GF each year to support software to unlock cell phones with potential evidence for criminal investigations.

– Department of Juvenile Justice

- **Reduce Operating Budget.** Proposes reducing the Department of Juvenile Justice's base operating budget by \$750,000 GF each year, with the agency determining the source of the reductions.
- **Align NGF Appropriation.** Recommends reducing the Department's NGF appropriation by \$1.2 million and eight positions each year to reflect the Department's current operating budget.

– Department of State Police

- **Sworn Officer Salaries.** Proposes \$3.0 million GF each year to increase salaries for sworn positions by 1.4 percent each year. The compensation policy would be ongoing into future years.

- **Replace Airplanes.** Recommends \$1.6 million GF each year for the ongoing financing costs of replacing three airplanes through the state’s master equipment lease program (MELP). The MELP principal is \$12.9 million, which includes \$14.4 million for the purchase price of the three new planes offset by the estimated resale price of the three damaged planes. The damage was caused by excessive stress from the infrared camera systems used for search missions.
 - Budget language requires the Department to deposit 50 percent of the planes’ sale proceeds to the general fund.
- **Fusion Center Analysts.** Proposes \$522,637 GF the first year and \$589,459 GF the second year for six additional analysts in the Virginia Fusion Center to support workloads. The Virginia Fusion Center is responsible for disseminating threat and protective information to assist partners in their homeland security duties.
- **Med-Flight State Contribution.** Recommends \$770,800 GF the second year to increase the pass-through grant to Chesterfield County that supports paramedics assigned to the Department of State Police for med-flight operations, bringing the total appropriation to \$450,000 GF the first year and \$1.2 million GF the second year.
- **Background Checks Positions.** Proposes \$306,433 GF the first year and \$365,792 GF the second year and four positions to support the expected increase in criminal background checks as a result of two pieces of proposed legislation related to kinship care and local departments of social services.
- **Campus Safety Coordinator.** Recommends \$114,095 GF the first year and \$136,915 GF the second year for a position at the Virginia Fusion Center to coordinate with institutions of higher education in support of campus safety and security.
- **Virginia Criminal Information Network (VCIN) Server.** Proposes \$2.0 million NGF the first year for designated one-time funding to replace and upgrade the VCIN server. The sources of funding are the Insurance Fraud Fund and the Help Eliminate Auto Theft (HEAT) Fund (\$1.0 million each).

- **Capture Savings from Retired Debt Service.** Recommends removing \$620,371 GF each year to account for completion of the debt service for the Statewide Agencies Radio System (STARS) program.
- **Capture Savings from Information Exchange Program.** Proposes eliminating \$99,479 GF each year previously appropriated for a position related to a public safety information exchange program. According to the Virginia State Police, the responsibilities have been subsumed into other positions.

Transportation

Governor’s Proposed Adjustments to Transportation				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$260.0	\$11,050.5	\$260.0	\$11,050.5
Base Budget Adjustments	(260.0)	106.4	(260.0)	106.4
Adjusted Base Budget	<0.1	\$11,156.8	<0.1	\$11,156.8
Proposed Increases	90.7	247.0	1.5	344.7
Proposed Decreases	<u>0.0</u>	<u>(404.6)</u>	<u>0.0</u>	<u>(799.3)</u>
\$ Net Change	\$90.7	(\$157.6)	\$1.5	(\$454.6)
HB/SB 30, as Introduced	\$90.7	\$10,999.3	\$1.5	\$10,702.3

– Office of the Secretary of Transportation

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

– **Commercial Space Flight Authority**

- **Update Appropriation to Reflect Forecast.** Recommends an increase of \$1.3 million NGF in FY 2025 and \$1.8 million NGF in FY 2026 to reflect the November 2023 revisions to the Transportation Trust Fund revenue forecast.

– **Department of Aviation**

- **Study Airport Infrastructure and Technology.** Proposes \$350,000 NGF the first year for a study of the Commonwealth’s assets and infrastructure needed to support Advanced Air Mobility (AAM) and related technologies, such as unmanned package delivery, aerial taxis, and electric aircraft.
- **Aviation Educational Equipment.** Proposes \$350,000 NGF the second year for projected expenditures on equipment to support educational programming.
- **Lease Payments.** Recommends an increase of \$87,120 NGF each year for lease payments for the facility at Richmond International Airport.

– **Virginia Passenger Rail Authority**

- **Clarify Administrative Appropriation Authority.** Recommends language to clarify that the Director of the Department of Planning and Budget is authorized to administratively adjust the Authority’s appropriation to reflect changes in the official revenue forecast of the Commonwealth Transportation Fund.

– **Department of Rail and Public Transportation**

- **Update Appropriation to Reflect Forecast.** Proposes an increase of \$97.7 million NGF in FY 2025 and \$109.9 million NGF in FY 2026 to reflect revisions to the Commonwealth Mass Transit Fund revenue forecast.
- **WMATA Operating Assistance.** Proposes language requiring that an increase in state operating assistance for the Washington Metropolitan Area Transit Authority (WMATA) above the maximum 3.0 percent cap on increases to Virginia’s operating subsidy will require the approval of the Secretary of Transportation and require WMATA to submit a corrective action plan to address cost reduction and other strategies. The corrective action plan would include total and administrative

cost reductions, actions to right-size employee headcount relative to ridership and vehicle revenue miles, and a detailed timeline for automation of the system.

– **Virginia Department of Transportation**

- **Update Revenues to Reflect Financial Plan.** Proposes several actions that provide a net decrease in VDOT appropriations of \$269.3 million NGF the first year and \$716.8 million NGF the second year based on November 2023 revised revenue estimates, program adjustments, agency operations, and the Transportation Six-Year Financial Plan, as approved by the Commonwealth Transportation Board in June 2023.
- **Interstate 81 Corridor Project.** Recommends \$70.0 million GF the first year to accelerate the I-81 northbound lane widening project in the Salem District. The project will make improvements to 12 miles of interstate located to the north of Christiansburg (between Mile Marker 116 and Mile Marker 128).
- **Transportation Partnership Opportunity Fund.** Proposes \$20.0 million GF support for the Transportation Partnership Opportunity Fund (PTOF) in the first year. In addition, directs the Commonwealth Transportation Board to provide at least \$200.0 NGF million to the fund out of revenue of the Commonwealth Transportation Fund in the Six-Year Financial Plan adopted prior to July 1, 2023, for fiscal years 2025 through 2030.
- **Adjust Pass-Through Funding to Regional Transportation Authorities.** Recommends adjusting the total amount of funding from state-imposed taxes that are passed-through to regional transportation authorities by a decrease of \$20.1 million NGF in FY 2025 and an increase of \$61.3 million in FY 2026 to reflect the November 2023 revenue forecast and approved Six-Year Financial Plan.
- **Capital Outlay.** Proposes to provide \$35.0 million NGF appropriation each year to acquire, design, and renovate VDOT facilities.

– **Virginia Port Authority**

- **Port of Virginia Economic Development Grant Program.** Proposes support for the newly authorized Port of Virginia Economic Development Grant

Program through reallocation of balances from the expiring Port of Virginia Economic and Infrastructure Development Grant Fund and a deposit of \$2.0 million GF from the Commonwealth's Development Opportunity Fund each year.

- **Virginia Port Volume Increase Grant Program.** Recommends \$500,000 GF in FY 2025 and \$1.0 million GF in FY 2026 for the Virginia Port Volume Increase Grant Program. The grant program replaces the existing Virginia Port Volume Increase Tax Credit that expires January 1, 2025.
- **Virginia Barge and Rail Usage Grant Program.** Proposes \$250,000 GF in FY 2025 and \$500,000 GF in FY 2026 for the Virginia Barge and Rail Usage Grant Program. The grant program replaces the existing Barge and Rail Usage Tax Credit that expires January 1, 2025.
- **Port Opportunity Fund.** Recommends establishing a legislative appropriation for the Port Opportunity Fund of \$8.0 million NGF each year. Existing cash balances in the Fund will support expenditures from the appropriation, which was previously handled administratively.
- **Rent Increase.** Includes \$7.2 million NGF in FY 2025 and \$13.2 million NGF in FY 2026 for rent escalations on the Virginia International Gateway lease.
- **Debt Service.** Includes a reduction of \$27.3 million NGF each year to reflect debt service obligations in FY 2025 and FY 2026.
- **Capital Outlay.** Provides appropriation for Port Authority capital outlay projects totaling \$216.0 million NGF the first year and \$242.2 million NGF the second year, including cargo handling facilities, expansion of the empty yard, and berth and wharf maintenance.

Veterans and Defense Affairs

Governor’s Proposed Adjustments to Veterans and Defense Affairs				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$52.7	\$171.8	\$52.7	\$171.8
Base Budget Adjustments	3.7	6.3	3.7	6.3
Adjusted Base Budget	\$56.4	\$178.0	\$56.4	\$178.0
Proposed Increases	33.5	3.1	1.3	3.1
Proposed Decreases	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ Net Change	\$33.5	\$3.1	\$1.3	\$3.1
HB/SB 30, as Introduced	\$89.9	\$181.1	\$57.7	\$181.1

– Department of Veterans Services

- Veterans Care Centers.** Proposes \$30.5 million GF the first year in designated one-time funding and \$3.0 million NGF each year for operations at the Jones and Cabacoy Veterans Care Center (phased opening began fall 2023) and Puller Veterans Care Center (phased opening expected summer 2024). General fund appropriation supports personnel and other operational expenses incurred before sufficient revenue becomes available from resident per diem payments, as well as projected annual budget shortfalls after operations have been fully phased in. Nongeneral fund appropriation covers projected revenue from resident payments. Of these amounts, \$3.0 million GF must be used to repay the treasury loan administratively authorized in FY 2024. Language directs that any unexpended general fund balance would carry forward to the second year.

- **Veteran Self-service Portal and Virtual Service Center.** Recommends \$1.2 million GF the first year and \$416,820 GF the second year for a self-service portal and virtual service center, including: \$750,000 GF the first year and \$150,000 GF the second year for the portal, which would enable veterans to check the status of their disability benefit application and other Department of Veterans Services requests, as well as receive information on new programs for which they may be eligible; and \$427,914 GF the first year and \$266,820 GF the second year to establish the virtual service center, an AI-supported phone system to “triage” phone calls and respond to routine administrative and information requests.
- **Military Women’s Memorial.** Proposes \$500,000 GF the first year to Arlington County for the construction of the Military Women’s Memorial and Education Center.
- **Partnership for Petersburg Office.** Recommends \$398,660 GF the first year and \$404,841 GF the second year to support rent, personnel, and supply costs for the Virginia Community Resource Center (VCRC). The Department’s veterans benefits office in Petersburg relocated VCRC in April 2023 to co-locate with other state, local, and non-profit services organizations, as part of the “Partnership for Petersburg” initiative.
- **New Software Systems.** Proposes \$89,270 GF the first year and \$68,270 GF the second year to procure two new software systems including: \$42,870 GF the first year and \$32,870 GF the second year for cloud-based digital signature and document software to enable clients to transmit forms with personal identifiable information electronically; and \$46,400 GF the first year and \$35,400 GF the second year for legal tracking software for Department of Veterans Services appeals attorneys handling veterans claims.
- **Increase NGF Appropriation.** Recommends \$53,500 NGF each year to account for revenue raised by the Veterans Services Foundation and transferred to the Department of Veterans Services to support program operations.
- **Remove Mandatory Carry Forward Language.** Proposes to remove budget language that requires unexpended GF balances designated for the Virginia

Veteran and Family Support Services program area to carry forward from the first year to the second year.

– **Department of Military Affairs**

- **Cash Management System Software.** Recommends \$845,000 GF the first year and \$384,000 GF the second year for software development and cloud hosting costs for a replacement cash management system.
- **Line of Credit for Federal Reimbursement.** Proposes a \$20.0 million line of credit from the general fund for authorized capital projects eligible for federal reimbursement, supplementing an existing \$30.0 million line of credit for all federal cooperative agreement expenditures.
- **Mandatory Carryforward Language for National Guard Tuition Assistance Program.** Recommended language requires unexpended balances from the National Guard State Tuition Assistance Program to carry forward each fiscal year.

Veteran Services Foundation

- **Increase NGF Appropriation.** Proposes \$53,500 NGF each year to account for revenue raised by the Veterans Services Foundation and transferred to the Department of Veterans Services to support program operations.

Central Appropriations

Governor’s Proposed Adjustments to Central Appropriations				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget (Ch. 1, 2023 Special Session I)	\$807.2	\$237.4	\$807.2	\$237.4
Base Budget Adjustments	<u>(752.8)</u>	<u>(163.3)</u>	<u>(752.8)</u>	<u>(163.3)</u>
Adjusted Base Budget	\$54.5	\$74.1	\$54.5	\$74.1
Proposed Increases	292.5	9.3	190.3	9.3
Proposed Decreases	<u>(37.7)</u>	<u>(30.0)</u>	<u>(33.1)</u>	<u>(30.0)</u>
\$ Net Change	\$254.8	(\$20.7)	\$157.2	(\$20.7)
HB/SB 30, as Introduced	\$309.3	\$53.4	\$211.6	\$53.4

– Compensation Supplements

- **Provide a One Percent Bonus Each Year for State and State-supported Local Employees.** Proposes \$54.2 million GF the first year and \$54.8 million GF the second year for a bonus of one percent of salary in each year for full-time state employees and state-supported local employees. The bonuses would be paid on December first each year.
- **Provide a One Percent Salary Increase in the Second Year for State and State-supported Local Employees.** Recommends \$59.6 million GF the second year for a one percent salary increase effective June 10, 2025 (would appear in the July 1, 2025, paychecks) for state employees. Adjunct faculty and graduate teaching assistants at public institutions of higher education are also eligible for the salary increase. State-supported local employees would receive a one percent salary increase effective July 1, 2025.

- **Provide Targeted Salary Adjustments.** Proposes \$26.5 million GF each year in targeted salary adjustments funded in other part of the budget. See table below for more detail on these adjustments.

Proposed GF Compensation Adjustments		
(GF \$ in millions)		
	<u>FY 2025</u>	<u>FY 2026</u>
<u>Salary and Bonus Proposals</u>		
One Percent Bonus Full-Time State Employees and State-supported Locals Each Year	\$54.2	\$54.8
One Percent Salary Increase for State and State-supported Local Employees in FY 2026	0.0	59.6
Teacher and Support Staff Two Percent Salary Increase in FY 2026	0.0	122.8
Teacher and Support Staff One Percent Bonus in FY 2025	<u>53.0</u>	<u>0.0</u>
Subtotal	\$107.2	\$237.2
<u>Targeted Salary Adjustments.</u>		
Behavioral Health: Clinical Roles	\$11.4	\$11.4
Behavioral Health: Food Service and Housekeeping	8.5	8.5
State Police: Salary Compression for Sworn Positions	3.0	3.0
Department of Corrections: Vacant Correction Officer Salaries	2.9	2.9
Marine Resources Commission: Law Enforcement Compression	<u>0.7</u>	<u>0.7</u>
Subtotal	\$26.5	\$26.5
Total	\$133.7	\$263.7

– **Distributed Agency Support**

- **Adjust Funding for Agency Health Insurance Premium Costs.** Proposes \$39.6 million GF the first year and \$66.7 million GF the second year for the employer’s share of health insurance premiums. The latest actuarial report projects health insurance costs will increase by approximately 9.3 percent each year, however, the state Health Insurance Fund is projected to support a portion of the increase due to lower participant utilization. The actuarially determined rates for the state’s self-insured plans assume an increase of 6.3 percent the first

year and an additional 4.0 percent the second year. The rates for the state's two fully insured plans, Kaiser Permanente and Optima Health, are funded at the estimated contractually determined rates.

- **Adjust Funding for Lower State Employee Retirement Costs.** Recommends capturing \$8.3 million GF the first year and \$6.9 million GF the second year for the changes in employer contribution rates for state employee retirement programs. Funding is provided for the defined benefit contribution rates certified by the Virginia Retirement System Board of Trustees for the Virginia Retirement System for state employees and the State Police Officers' Retirement System, and based on the June 30, 2023, valuation for fiscal years 2025 and 2026. The Virginia Retirement System defined benefit contribution rates for the Judicial Retirement System and Virginia Law Officers' Retirement System are maintained at their existing level, which are higher contribution rates than what was certified by the Board of Trustees. The funding provided takes into account the estimated employer contributions for the hybrid retirement program's defined contribution component, which will be charged separately to employers based on previously adopted legislation effective July 1, 2024.
- **Adjust Funding for Changes in Agency Information Technology Costs.** Proposes \$5.1 million GF the first year and \$771,994 GF the second year to reflect changes in information technology and telecommunications usage by state agencies. The funding reflects the latest utilization estimates provided by the Virginia Information Technologies Agency and proposed rates for fiscal years 2025 and 2026.
- **Provide Funding for a Line of Duty Act Premium Increase.** Proposes \$1.7 million GF each year to reflect the estimated Line of Duty Act premiums charged to agencies based on the latest employee enrollment data provided by the Virginia Retirement System and the new per eligible employee rate certified by the Board of Trustees.
- **Provide Funding to Support Increases in Minimum Wage.** Recommends \$1.0 million GF the first year and \$3.3 million GF the second year to support

increases in state agency wage costs due to the increases in the Virginia minimum wage scheduled for January 1, 2025, and January 1, 2026. The amounts provided assume a 3.84 percent annual increase in the Virginia minimum wage. Under current law, the actual Virginia minimum wage will be established by the Commissioner of the Department of Labor and Industry by October first each year.

- **Adjust Funding for State Agency Rent Costs.** Recommends \$2.1 million GF the first year and a savings of \$815,878 GF the second year for state agency rent costs in facilities operated by the Department of General Services. Due to some agencies moving out of state-owned space and the need to continue to operate the James Monroe Building until all agencies have exited, the rent rate charged to state agencies will increase in FY 2025. The rent rate will decrease in FY 2026 once the James Monroe Building is no longer occupied, resulting in general fund savings. This funding proposal does not reflect any increase in costs to individual agency budgets as a result of moving from state-owned space into privately leased space.

The planned move of state agencies from the James Monroe Building is based on a space allocation study that recommends a decrease in the spacing needs of employees (48 sq. ft. per non-supervisory employee). As a result, the agencies moving from the James Monroe building will be moving in smaller space than currently. Most of the agencies will be moving to the Main Street Centre, but to make this move work then the Virginia Lottery must move out into privately leased space (such moving costs and change in rent have not been factored into Lottery's budget).

The administration's plans are intending to avoid building a state office building on Main Street Richmond, which has already been authorized by the General Assembly (HB/SB 30 as introduced does not rescind that project).

- **Adjust Funding for Changes in Cardinal Financials System Charges.** Proposes to capture \$3.8 million GF the first year and \$2.0 million GF the second year for changes in the general fund share of Cardinal Financials system charges to state agencies based on the latest system costs and agency utilization.

- **Adjust Funding for Changes in Cardinal Human Capital Management Internal Service Fund Charges.** Proposes a savings of \$3.5 million GF the first year and \$1.0 million GF the second year from state agencies for changes in the general fund share of Cardinal Human Capital Management system charges.
- **Adjust Funding for Other Post-employment Benefit Programs.** Recommends capturing \$2.7 million GF the first year and \$2.8 million GF the second year for the changes in employer contribution rates for other post-employment benefit programs for state and state-supported local employees. Funding is provided for the full contribution rates certified by the Virginia Retirement System Board for the state employee sickness and disability program based on the June 30, 2023, valuation for fiscal years 2025 and 2026. Contribution rates for the state employee group life insurance and retiree health insurance credit programs, and the state-supported local employee retiree health insurance credit program, are maintained at their existing level, which are higher contribution rates than what was certified by the Board of Trustees.
- **Modify Funding for State Workers' Compensation Premiums.** Recommends \$1.5 million GF the first year and \$1.7 million GF the second year for changes in state agency workers' compensation premiums based on the latest actuarial report. Premiums include the scheduled payback of the working capital advance used to settle workers' compensation claims.
- **Adjust Funding to Agencies for Changes in Division of Risk Management (DRM) Premiums.** Proposes to capture \$375,189 GF the first year and \$356,395 GF the second year from state agency budgets for changes in the Department of Treasury's DRM premiums. The Division would reallocate premiums charged to agencies based on the agencies' latest claims experience and adjust the total premiums charged. Due to the cash balance in the program, the medical malpractice liability program will not charge premiums in fiscal years 2025 or 2026. The automobile liability program will not charge premiums in FY 2025 and will charge a lower total premium in FY 2026. The general liability program will charge a higher total premium in fiscal years 2025 and 2026, but the

increase will be offset by the premium reductions in the medical malpractice and automobile liability programs.

- **Recognize Savings from Single Agency Lease Rate Reduction.** Recommends capturing \$217,089 GF each year from state agencies as a result of reducing the Department of General Services' single-agency lease administration rate from four percent to three percent.
- **Recognize Savings from Reduced Fleet Vehicle Operational Rates.** Proposes \$180,062 GF each year in savings to be captured from state agencies as a result of reducing the Department of General Services' fleet vehicle operational rate from \$120.00 per month to \$110.00 per month.
- **Adjust Funding for Changes in Performance Budgeting System Charges.** Recommends capturing \$117,792 GF in savings the first year and an increase of \$135,054 GF the second year to adjust state agency budgets for changes in the general fund share of charges for the Performance Budgeting System internal service fund.

– **Special Expenditures**

- **Provide Funding to Improve State Agency Information Technology Infrastructure.** Proposes \$150.0 million GF the first year to be deposited into the Virginia Technology Infrastructure Fund to support the upgrade, replacement, and modernization of critical technology systems across state agencies, including efforts to mitigate cybersecurity risks. The funding will prioritize systems and applications that are ten or more years old, which use aging programming languages, databases, or architecture, and efforts to fill gaps in education, and workforce data tracking and administration. Transfers from the fund would be authorized by the Secretaries of Administration and Finance.
- **Funding to Support American Revolution 250 Commission Operations.** Recommends \$20.0 million GF the first year to support the operational activities of the American Revolution 250 Commission. Budget language requires prior to the funding being transferred, the commission is

required to provide a detailed report on the use of the funds, which must be approved by the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The detailed report shall include an itemized budget, other donations expected, and outcome metrics. An annual report shall be submitted by December 1 each year on the use of the funding.

- **Provide Funding for a Workforce Recruitment Program.** Proposes \$15.0 million GF the first year for a new workforce recruitment program to be operated by the Virginia Economic Development Partnership (VEDP). The program would be a comprehensive, multi-faceted marketing program to attract and retain workforce by raising awareness of in-demand job opportunities and career pathways, including internships and apprenticeships, promote training and certification programs, encourage college students and exiting military personnel to stay in Virginia and recruit out-of-state workers to move to Virginia. VEDP, in consultation with the Department of Workforce Development and Advancement and the Virginia Tourism Authority, is required to submit a report detailing the planned use of such funds to the Governor by October 1, 2024.
- **Adjust Appropriation for Higher Education Credit Card Rebates and Interest Earnings.** Recommends \$3.2 million GF and \$8.6 million NGF each year for the projected need for higher education credit card rebates and interest earnings. Credit card rebates and interest earnings are being level funded at the 2023 actual levels. Credit card rebates and interest earnings are earned in the state treasury on nongeneral fund educational and general programs of institutions of higher education. These funds are returned to the respective institutions if they meet certain performance benchmarks.
- **Provide Funding to Aid in Potential Sports Teams Relocations.** Recommends \$500,000 GF the first year for the Secretary of Finance to evaluate economic development incentives that will aid in the relocation of sports teams and their associated facilities to the state.
- **Transfer Funding for Workforce Development Training Programs.** Proposes to reduce \$17.0 million GF a year for workforce programs and of those

funds transfer \$2.0 million GF each year in funding for the Hampton Roads Skilled Trades Rapid On-ramp Network for Growth (STRONG) initiative to the Department of Workforce Development and Advancement, and \$20.0 million Gf over the biennium to the Innovative Internship Fund and Program to the State Council of Higher Education for Virginia. Funding for Network2Work and the Advanced Manufacturing Talent Investment Program and Fund pilot are not continued in the introduced budget.

- **Reduce Appropriation for the Tobacco Region Revitalization Commission.** Proposes to reduce \$30.0 million NGF each year for the Commission to reflect anticipated expenditure patterns. This action would leave \$30.0 million NGF each year for expenditure.
- **Adjust Virginia Tobacco Settlement Fund Appropriation to Reflect Anticipated Revenue.** Recommends \$667,738 NGF each year to reflect anticipated revenue from the Master Settlement Agreement with tobacco product manufacturers. This funding is used by the Virginia Foundation for Healthy Youth for program activities.

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

- **Reversion of American Rescue Plan Funding (ARPA) to Transfer to Supplement Child Care Subsidy Program.** Includes budget language providing that any remaining unobligated balance as of June 30, 2024, in ARPA State and Local Fiscal Relief Funds, allocated to state agencies, shall be transferred to the Child Care Subsidy Program at the Department of Education. This would supplement funding for that program and must be obligated by December 30, 2024.

2024-26 Proposed Central Appropriations Adjustments

(\$ in millions)

	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
Information Technology Infrastructure	\$150.0	\$0.0	\$5.0	\$0.0
Health Insurance Premiums	39.6	0.0	66.7	0.0
American Revolution 250	20.0	0.0	0.0	0.0
Workforce Recruitment Program	15.0	0.0	0.0	0.0
IT Adjustments	5.1	0.0	0.8	0.0
Higher Education Interest, Rebates	3.2	8.6	3.2	8.6
Minimum Wage Costs	1.0	0.0	3.3	0.0
Line of Duty Act Premiums	1.7	0.0	1.7	0.0
Workers' Compensation Premiums	1.5	0.0	1.7	0.0
Agency Rent Costs	2.1	0.0	(0.8)	0.0
Sports Team Recruitment	0.5	0.0	0.0	0.0
Tobacco Settlement Appropriation	0.0	(29.3)	0.0	(29.3)
State Retirement Costs	(8.3)	0.0	(6.3)	0.0
Cardinal Financial System	(3.8)	0.0	(2.0)	0.0
Post-employment Benefits	(2.7)	0.0	(2.8)	0.0
Risk Management Premiums	(0.4)	0.0	(0.4)	0.0
Single Agency Lease Rates	(0.2)	0.0	(0.2)	0.0
Fleet Vehicle Rates	(0.2)	0.0	(0.2)	0.0
Performance Budgeting Charges	<u>(0.1)</u>	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>
Total	\$224.0	(\$20.7)	\$69.8	(\$20.70)

Independent Agencies

Governor’s Proposed Adjustments to Independent Agencies				
(\$ in millions)				
	FY 2025		FY 2026	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Base Budget				
(Ch. 1, 2023 Special Session I)	\$27.2	\$1,161.8	\$27.2	\$1,161.8
Base Budget Adjustments	<u>0.0</u>	<u>15.2</u>	<u>0.0</u>	<u>15.2</u>
Adjusted Base Budget	\$27.2	\$1,176.9	\$27.2	\$1,176.9
Proposed Increases	5.0	429.4	47.0	452.9
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$5.0	\$429.4	\$47.0	\$452.9
HB/SB 30, as Introduced	\$32.2	\$1,606.4	\$74.2	\$1,629.9

– State Corporation Commission

- **Provide Additional Resources for the Health Benefit Exchange.** Proposes \$22.3 million NGF and 27.0 positions the first year and \$25.1 million NGF and 29.0 positions the second year to transition, effective November 1, 2023, the federally supported health benefit exchange to a state-supported platform. The start-up and implementation costs of the state-based health benefit exchange are supported through a working capital advance. The nongeneral fund revenue source to operate the exchange is from a fee the health insurers pay on plans sold on the exchange.
- **Provide Additional Appropriation for the Reinsurance Program.** Proposes \$5.0 million GF the first year and \$47.0 million GF the second year and \$331.9 million NGF the first year and \$354.1 million NGF the second year to reimburse individual health insurance market carriers for eligible expenses of the

Commonwealth Health Reinsurance Program. The reinsurance program is supported through federal funding provided through the Patient Protection and Affordable Care Act Section 1332 State Innovation Waiver and state funds. The program subsidizes high costs claims in the individual health insurance market reducing premiums for individuals purchasing insurance.

- **Provide Additional Nongeneral Fund Appropriation and Positions.** Recommends \$6.0 million NGF and 54.0 positions each year for the agency to address an increase in regulatory work, fulfill cybersecurity requirements and initiatives, and continue statutory requirements for railroad and pipeline safety. The nongeneral fund resources are from fees charged by the agency to the entities regulated by the Commission.

– **Virginia Lottery**

- **Establish Base Appropriation for Casino Payments to Localities.** Proposes \$50.0 million NGF each year for the Virginia Lottery to distribute casino gaming tax revenues to localities on a quarterly basis. The initial revenues collected were administratively appropriated and this action provides an ongoing legislative appropriation to make such payments.

– **Virginia College Savings Plan**

- **Provide Nongeneral Fund Appropriation for Cybersecurity and Other Purposes.** Includes \$4.5 million NGF the first year and \$5.5 million NGF the second year to strengthen the agency's cyber security measures. The funding will be used to execute internal audit projects for risk assessment and fraud detection, to procure consulting services to develop third party cybersecurity initiatives, to develop marketing programs related to the customer experience, and to provide enhancements to customer security. Proposed funding also includes amounts for positions tied to the agency's customer service initiatives, information technology operations, and risk management programs.

– Virginia Retirement System

- **Adjust Compensation and Create Internships.** Proposes \$2.4 million NGF the first year and \$2.6 million NGF the second year for compensation adjustments based on market rate analysis across the agency and would create ten internships. Two internships would be in finance, two in information technology, two in human resources, and four to be used throughout the agency as needed.
- **Adjust Funding to Enhance Business and Service Delivery Models.** Proposes \$1.8 million NGF the first year and \$1.9 million NGF the second year for the addition of five positions and for internal systems modifications. This funding will improve the business and service delivery model for the agency.
- **Adjust Funding to Improve Customer Experience.** Recommends \$1.8 million NGF the first year and \$1.9 million NGF the second year to fund 16.0 positions for the agency’s Customer Contact Center and enhance the customer service experience.
- **Adjust Funding to Reinforce Information Technology Security.** Proposes \$2.8 million NGF the first year and \$2.4 million NGF the second year to fund fraud prevention and information security measures. This funding would also support one additional position.
- **Provide Additional Funding for Investment Department.** Proposes \$2.6 million NGF and seven positions the first year and \$3.2 million NGF and nine positions the second year to support consulting services, additional data feeds, and additional positions across the investment department to support the growth of the agency’s in-house investment management activities and to implement new Board-approved investment strategies.
- **Provide Critical Facility Repairs and Reconfigure Space.** Recommends \$3.4 million NGF the first year and \$225,000 the second year for three distinct building maintenance and upgrade projects. Upgrade and maintenance projects will include repairing the exterior of the agency’s building, replacing the building’s electrical plant, and reorganizing workspace with the building.

Capital Outlay

Proposed Capital Outlay Funding (\$ in millions)	
<u>Fund Type</u>	<u>HB/SB 30</u>
General Fund	\$916.6
VPBA/VCBA Tax-Supported Bond	334.9
9(c) Revenue Bonds	124.3
9(d) Revenue Bonds	9.3
Nongeneral Fund Cash	749.9
Total	\$2,135.0

The Governor’s proposed capital outlay budget for the 2024-26 biennium totals \$2,135.0 million from all funds, including \$916.6 million in general fund cash, \$334.9 million in tax-supported debt, \$749.9million in nongeneral fund cash, \$9.3 million in 9(d) nongeneral fund revenue bonds, and \$124.3 million in 9(c) nongeneral fund revenue bonds. The proposed projects or existing projects can be organized into the following categories:

Capital Outlay Funding Categories (\$ in millions)					
<u>Major Category</u>	<u>GF Cash</u>	<u>Tax Supported Debt</u>	<u>NGF Cash</u>	<u>NGF Supported Bonds</u>	<u>Total</u>
Supplements	\$250.0	\$50.0	\$0.0	\$0.0	\$300.0
Maintenance Reserve	404.0	0.0	0.0	0.0	404.0
Deferred Maintenance	85.0	102.0	14.0	0.0	201.0
Improvements	50.0	179.4	633.1	38.1	900.6
New Construction	0.0	0.0	30.0	95.5	125.5
Acquisition	0.0	3.5	15.7	0.0	19.2
Planning	24.0	0.0	57.2	0.0	81.2
Equipment	<u>103.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	103.5
Total	\$916.6	\$334.9	\$749.9	\$133.6	\$2,135.0

Note may not sum due to rounding.

Central Capital

- 2022 Capital Supplement Pool.** Recommends \$250.0 million GF the first year to the 2022 Capital Supplement Pool to address shortfalls for projects and central capital construction pools. This proposed action would increase the total appropriation to this supplement pool to \$800.0 million since FY 2022.
- 2022 State Agency Capital Pool Supplement-State Police Training Academy.** Proposes \$50.0 million from VPBA tax-supported 9(d) bond proceeds the first year to supplement the 2022 State Agency Pool for the Department of State Police Replace *Training Academy at Department Headquarters (18541)*. The initial cost assumption included in the 2022 pool did not align to the project scope and additional cost increases have occurred since the original pool assumption. Additionally, language limits the total project cost to \$100.0 million and requires State Police to adjust size and scope to accommodate the state funding limit.
- Maintenance Reserve.** Proposes \$404.0 million GF the first year to address maintenance reserve needs of state agencies and higher education institutions.

Maintenance Reserve Allocations (GF)

<u>Agency</u>	FY 2025
Department of Military Affairs (123)	\$5,738,031
The Science Museum of Virginia (146)	2,642,603
Department of State Police (156)	850,072
Department of General Services (194)	26,815,529
Department of General Services (194) on behalf of the Fort Monroe Authority	8,625,883
Department of Conservation and Recreation (199)	8,488,133
The Library of Virginia (202)	214,121
Wilson Workforce and Rehabilitation Center (203)	1,072,135
The College of William and Mary (204)	9,354,663
University of Virginia (207)	29,708,083
Virginia Polytechnic Institute and State University (208)	37,770,915
Virginia Military Institute (211)	5,839,218
Virginia State University (212)	7,648,841

Maintenance Reserve Allocations (GF)

<u>Agency</u>	FY 2025
Norfolk State University (213)	5,989,472
Longwood University (214)	3,284,483
University of Mary Washington (215)	4,254,087
James Madison University (216)	10,024,628
Radford University (217)	4,446,804
Virginia School for the Deaf and the Blind (218)	1,966,317
Old Dominion University (221)	9,883,398
Virginia Commonwealth University (236)	31,948,872
Virginia Museum of Fine Arts (238)	4,130,411
Frontier Culture Museum of Virginia (239)	468,903
Richard Bland College (241)	801,094
Christopher Newport University (242)	5,403,701
University of Virginia's College at Wise (246)	1,122,371
George Mason University (247)	8,332,872
Virginia Community College System (260)	50,876,269
Virginia Institute of Marine Science (268)	1,573,533
Eastern Virginia Medical School (274)	4,360,424
Department of Agriculture and Consumer Services (301)	736,211
Department of Energy (409)	152,742
Department of Forestry (411)	3,866,325
Gunston Hall (417)	170,052
Jamestown-Yorktown Foundation (425)	3,057,506
Department for the Blind and Vision Impaired (702)	640,213
Department of Behavioral Health and Developmental Services (720)	16,203,492
Department of Juvenile Justice (777)	3,457,157
Department of Forensic Science (778)	1,580,740
Department of Corrections (799)	78,488,336
Institute for Advanced Learning and Research (885)	125,892
Department of Veterans Services (912)	357,654
Roanoke Higher Education Authority (935)	576,768
Southern Virginia Higher Education Center (937)	219,685
Virginia Museum of Natural History (942)	257,451
Southwest Virginia Higher Education Center (948)	<u>473,910</u>
Total GF	\$404,000,000

- **Maintenance Reserve DGS Retail Space GAB Parking Deck.** Recommends language allowing the Department of General Services to use \$4.0 million GF from their central maintenance reserve allocation to build out of retail space in the parking deck at Broad and 9th Street in Richmond near the General Assembly Building.
- **Maintenance Reserve EVMS Transfer to ODU.** Recommends language allowing the central maintenance reserve allocations for Eastern Virginia Medical School, and any prior remaining balances from maintenance reserve allocations, to be transferred to Old Dominion University to ensure the continued operations of the schools and divisions existing as Eastern Virginia Medical School prior to the effective date of Chapters 756 and 778, 2023 Acts of Assembly.
- **Maintenance Reserve DMA Camp Pendleton.** Recommends language allowing the Department of Military Affairs to use a portion of its maintenance reserve allocations to renovate facilities at Camp Pendleton for a National Guard youth program.
- **Capital Equipment Funding Pool.** Recommends \$81.3 million GF the first year to provide funding for capital equipment for projects nearing construction completion in the next 18 months. The following table lists the projects authorized in the equipment pool.

Capital Equipment Funding Pool (GF)

<u>Agency</u>	<u>Project</u>
Department of General Services	Replace Central State Hospital (18438)
Department of General Services	Construct Addition to Current State Records Center Building & Repurpose Workspace in Facility (18515)
Department of Conservation and Recreation	Provide Various Utility and ADA Upgrades (18256)
Virginia State University	Demolish/Replace Daniel Gym and Demolish Harris Hall, Phase I (18333)
James Madison University	Renovate and Expand Carrier Library (18485)
Frontier Culture Museum of Virginia	Construct Crossing Gallery (18316)
George Mason University	Construct Life Sciences and Engineering Building/ Renovate Bull Run Hall (18000)

Capital Equipment Funding Pool (GF)

<u>Agency</u>	<u>Project</u>
Virginia Community College System	Renovate Seefeldt Building, Woodbridge Campus, Northern Virginia (18162)
Virginia Community College System	Replace Diggs/Moore/Harrison Complex, Hampton, Thomas Nelson (18341)
Department of Forensic Science	Expand and Renovate Current or Construct New Central Forensic Laboratory and Office of the Chief Medical Examiner (18167)
Total GF	\$81,341,000

- **Workforce Development Projects Equipment.** Proposes \$22.2 million GF the first year to support capital investment associated with bolstering technology-related education to address workforce needs. These equipment investments are part of the state’s Tech Talent Investment Program, a component of the Amazon HQ2 incentive package.
- **Central Capital Planning Pool.** Recommends \$24.0 million GF and \$2.6 million from the Central Capital Planning Pool the first year for Central Capital Planning Pool to fund three planning projects listed in the following table. The general funds will be infused into the Central Capital Planning Fund.

Central Capital Planning Pool		
<u>Agency</u>	<u>Project</u>	<u>Planning Stage</u>
Department of General Services	Renovate State Library Building	Schematic Design
University of Virginia - Wise	Renovate Darden Hall	Schematic Design
Department of Behavioral Health and Developmental Services	Child and Adolescent Psychiatric Treatment Facility	Planning
Total (GF and NGF)		\$26,623,000

- **2024 Higher Education Capital Pool.** Proposes \$70.5 million from VCBA tax-supported 9(d) bond proceeds, \$222,285 NGF and \$9.3 million NGF from 9(d) higher education revenue bond proceeds the first year to fund six higher education

projects in a capital pool. The 9(d) revenue bonds support James Madison University's *Improve East Campus Infrastructure Phase 3 project*.

2024 Higher Education Capital Pool	
<u>Agency</u>	<u>Project</u>
William and Mary	Renovate Historic Campus (18678)
Virginia Military Institute	Replace Windows in Old and New Barracks (18604)
Longwood University	Replace Steam Distribution Systems to Four Campus Buildings
James Madison University	Improve East Campus Infrastructure Phase 3 (18738)
Richard Bland College	Replace HVAC System for Statesman Hall
Christopher Newport University	Replace Integrated Science Center Fume Hoods and Pressurization Valves and Controls
Total (see paragraph for fund source)	\$80,082,985

- **2024 State Agency Capital Pool.** Proposes \$42.9 million from VPBA tax-supported 9(d) bond proceeds the first year to fund four state agency capital projects in a capital pool.

2024 State Agency Capital Pool	
<u>Agency</u>	<u>Project</u>
Jamestown-Yorktown Foundation	Replace Walkways and Improve Lighting
Jamestown-Yorktown Foundation	Replace Roofs at Jamestown Settlement and Emerson Central Support Complex
Department of Behavioral Health and Developmental Services	Address heating and hot water requirements at Hiram Davis Medical Center and Central State Hospital building 94
Department of Juvenile Justice	Renovate Bon Air Juvenile Correctional Center and Oak Ridge Juvenile Correctional Facility
Total VPBA Bonds	\$42,910,836

- **VPBA 9(d) Tax-Supported Bond Authorizations.** Proposes language to authorize \$50.4 million in VPBA 9(d) tax-supported bond issuances for the following stand-alone projects (see descriptions in Stand-Alone Projects).

VPBA Tax-Supported 9(d) Bonds Authorized, as Introduced

Agency	Project	Item	Amount
Department of Behavioral Health and Developmental Services	Improve safety and security at Eastern State Hospital	C-23	\$24,340,860
Department of Conservation and Recreation	Replace Underground Storage Tanks - Phase I	C-27	3,000,000
Department of Conservation and Recreation	Address climate control in state park yurts	C-28	1,600,000
Department of Conservation and Recreation	Protect and expand Buffalo Mountain Natural Area Preserve	C-29	3,500,000
Department of Corrections	DOC Capital Infrastructure Fund	C-32	15,000,000
Department of Military Affairs	Improve Readiness Centers	C-41	<u>3,000,000</u>
Total			\$50,440,860

- VCBA 9(d) Tax-Supported Bond Authorizations.** Recommends language to authorize \$121.1 million in VCBA 9(d) tax-supported bond issuances for the following stand-alone projects (see descriptions in Stand-Alone Projects).

VCBA Tax-Supported 9(d) Bonds Authorized, as Introduced

Agency	Project	Item	Amount
George Mason University	Address Deferred Maintenance	C-5	12,000,000
Norfolk State University	Improve Campus Infrastructure	C-8	14,064,327
Old Dominion University	Address Deferred Maintenance	C-9	12,000,000
Radford University	Address Deferred Maintenance	C-10	8,000,000
University of Mary Washington	Address Deferred Maintenance	C-11	5,500,000
University of Virginia	Address Deferred Maintenance	C-12	12,000,000
University of Virginia-Wise	Address Deferred Maintenance	C-13	1,500,000
Virginia Commonwealth University	Address Deferred Maintenance	C-15	12,000,000
Virginia Community College System	Address Deferred Maintenance	C-16	24,000,000
Virginia Polytechnic Institute and State University	Improve Campus Accessibility	C-19	8,000,000
Virginia State University	Improve South Entrance and Campus Security	C-21	<u>12,000,000</u>
Total			\$121,064,327

- **9(c) Revenue Bond Authorizations.** Includes language authorizing \$124.3 million in 9(c) revenue bond issuances for the following stand-alone projects (see descriptions in Stand-Alone Projects).

9(c) Revenue Bond Authorizations, as Introduced			
Agency	Project	Item	Amount
William and Mary	Renovate Dormitories	C-4	\$5,000,000
James Madison University	Renovate Spotswood Hall	C-7	23,820,000
Virginia State University	Construct New Student Housing	C-20	95,465,000
Total			\$124,285,000

- **9(d) Revenue Bond Authorizations.** Recommends language to authorize \$9.3 million in 9(d) revenue bond issuances for James Madison University’s Improve East Campus Infrastructure Phase 3 in Item C-50 2024 Higher Education Capital Pool.
- **Transfer VPBA Bond Appropriation DOC to DJJ for Renovate Bon Air Juvenile Center.** Proposes language, in the 2024 State Agency Capital Pool, to transfer \$2.6 million in unutilized VPBA bond authorization and appropriation from the Department of Corrections *"Equip Correctional Center in Culpeper County" project 799-18136*, as authorized in Item C-26.10, Chapter 2, 2014 Acts of Assembly, Special Session I, and amended by Item C-33, Chapter 780, 2016 Acts of Assembly, to support the Department of Juvenile Justice *"Renovate Bon Air Juvenile Correctional Center and Oak Ridge Juvenile Correctional Facility" project* in the 2024 State Agency Construction Pool.

Language, in Item C-55, also proposes to rescind *"Construct New Juvenile Correctional Center" project 777-18286*, as originally authorized in Chapter 759 and 769, 2016 Acts of Assembly, as amended by Item C-47, Chapter 2, 2018 Acts of Assembly, Special Session I, and Item C-47, Chapter 1283, 2020 Acts of Assembly. Additionally, in Item 3-1.01 paragraph KK, proposed language directs the Department of Corrections to sell the Culpeper Correctional Center and

deposits the proceeds of the sale to the general fund notwithstanding § 2.2-1156, Code of Virginia.

- Redirect Excess Bond Balances.** Recommends 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. The following table lists the proposed transfer of \$2.6 million to the 2016 VCBA Construction Pool and \$2.0 million to the 2019 VPBA Construction Pool:

Redirect Excess Bond Balances			
Initial Authorization	Source	Amount	
Virginia College Building Authority			
Longwood University Construct Addition and Renovate Bedford Hall (214-17317)	VCBA Bond	\$284.00	
Norfolk State University Information Technology Infrastructure (213-18426)	VCBA Bond	320.52	
VT Extension Relocate Hampton Roads Agricultural Research and Extension Center (229-18652)	GF	135,089.62	
Department of Forestry Acquire Conway Robinson State Forest Border Tract (411-18650)	GF	<u>2,500.000</u>	
Transfer to 2016 VCBA Capital Construction Pool (Chapters 759 and 769, 2016 Acts of Assembly and amended by Item C-48, Chapter 2, 2018 Acts of Assembly, Special Session I)		\$2,635,089.62	
Virginia Public Building Authority			
Department of Conservation and Recreation Land Acquisition (199-16779)	VPBA Bond	\$74,151.09	
Virginia Museum of Fine Arts Repair and Replace Deteriorating Plywood in the Mellon Galleries (238-18374)	VPBA Bond	2,130.08	
Department of Juvenile Justice “Remove Abandoned Underground Fuel Tanks” project (777-17600)	VPBA Bond	25,134.58	
Department of Corrections Women's Multi-Custodial CC (799-15461)	VPBA Bond	23,980.47	
Department of Corrections Locking Systems and Cell Door Replacement (799-16113)	VPBA Bond	10,697.76	
Department of Corrections Remedy Environmental Deficiencies (799-17139)	VPBA Bond	416,081.92	
Wilson Workforce and Rehabilitation Center Emergency Replacement of HVAC System Mary Switzer Building (203-18566)	VPBA Bond	<u>1,478.000</u>	
Transfer to 2019 VPBA Capital Construction Pool (Chapters 854, 2019 Acts of Assembly)		\$2,030,175.90	

General Conditions and Part 4 Capital Outlay

- **Transfer of Bonds Between Capital Pools.** Recommends language clarifying that bond authorization and appropriation may be transferred between the Virginia College Building Authority and the Virginia Public Building Authority as part of the existing authority to transfer appropriation between capital construction pools in Section 2-0.
- **Capital Funding Framework.** Proposes language in Section 4-4.02 establishing state capital funding policies. The proposed policies provide that annual general fund-supported capital appropriation, including tax-supported bond authorizations, amounts must not exceed one percent of general fund revenue plus debt capacity and any prior-year general fund appropriation balances that were not reappropriated. Additionally, it proposes at least one percent of general fund revenue must be for addressing maintenance needs of existing state facilities.
- **Tier III Higher Education Institutions E&G Match.** Proposes language in Section 4-4.02 requiring higher education institutions with Tier III operational authority to provide a 25.0 percent match from nongeneral funds for new construction, major renovations, and acquisition project costs of Educational and General Programs buildings. This requirement does not apply to projects addressing maintenance, life safety, security, or infrastructure or projects at the Virginia Institute of Marine Science, University of Virginia's College at Wise, or the Virginia Cooperative Extension and Agricultural Experiment Station (Virginia Tech).
- **Lease and Finance Purchase Authorizations.** Recommends standard, routine language authorizing the Department of General Services to enter lease and financed purchase agreements for agencies in Item C-54.
- **Lease and Finance Purchase Authorizations Part 4.** Proposes language in Section 4-3.03 to clarify the criteria for lease and financed purchase agreements that require approval in the Appropriation Act. The proposed language defines a “capital project based on a lease agreement”, requiring Appropriation Act

approval, as meeting at least one of these criteria: 1) lease transfers ownership of the property to the lessee or a contains a bargain purchase option; 2) lease arrangement supports the construction of new facility equal or exceeding 15,000 square feet; 3) lease term is equal to 75 percent or more of the estimated economic life of the leased property, but if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used; 4) the present value at the beginning of the lease term of the minimum lease payments, excluding the payments representing executory costs such as insurance and maintenance to be paid by the lessor, equals or exceeds 90 percent of the excess of the fair value of the leased property to the lessor at the inception of the lease over any related investment tax credit retained by and expected to be realized by the lessor, but if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used.

Additionally, proposes to allow the Governor to authorize proposed building projects or acquisition of property through a financed purchase that may qualify as a “capital project based on a lease agreement” that are not authorized by the Appropriation Act or other legislation: 1) if the nongeneral fund share of lease obligations does not exceed expected nongeneral fund revenues or 2) the general fund share of annual lease obligations does not result in the agency exceeding its current available annual general fund appropriation.

- **Six-Year Capital Outlay Plan Advisory Committee Meetings.** Recommends language in Section 2-0 overriding the third enactment of Chapter 294, 2023 Acts of Assembly, the tenth enactment of Chapters 759 and 769, 2016 Acts of Assembly, Item C-39.40 of Chapter 806, 2013 Acts of Assembly, § 2-0 P. of Chapter 552, 2021 Acts of Assembly, Special Session I, and any other provision of law 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 least four times.

- **Six-Year Capital Outlay Plan Advisory Committee FOIA Exemption.** Proposes language in Section 2-0 exempting written communications, including emails, among Six-Year Capital Outlay Plan Advisory Committee members and their staff from the Virginia Freedom of Information Act. This exemption applies specifically to the availability of funding authorized in capital pools, estimated total capital outlay project costs, supplemental capital pool funding, project authorization, and the transfer of appropriation, including bond appropriation and bond proceeds, between and among any capital pool projects as authorized in the Appropriation Act.
- **Six-Year Capital Outlay Plan Submission.** Recommends language in Item 2-0 notwithstanding §2.2-1518 to allow the Six-Year Capital Outlay Plan to be submitted as a report to the General Assembly instead of as legislation by the Governor, as currently required by law. The plan may reflect projects that have been authorized for planning only, in addition to any other obligations for authorized projects that the Six-Year Capital Outlay Plan Advisory Committee deems appropriate which have not yet been funded. The plan would be amended after the enactment of the Appropriation Act to reflect the projects authorized for planning. Previously, the enacted plan had not always reflected the projects authorized for planning in the final Appropriation Act.
- **Six-Year Capital Outlay Plan Advisory Plan to Review and Recommend Authorized Projects without Progress to Rescind Authorization.** Includes language in Item 2-0 requiring the Six-Year Capital Outlay Plan Advisory Committee to reevaluate all state-supported capital projects that have not proceeded to construction five years after being initially authorized and to recommend whether such projects should remain authorized or be rescinded as specified in the Appropriation Act.

Stand Alone Projects

– The Department of General Services

- **Renovate and Repair Fort Monroe Authority.** Proposes \$50.0 million GF the first year to address deferred infrastructure upgrades and replacement needs

at Fort Monroe. The Department of General Services will serve as the fiscal agent for this project on behalf of the Fort Monroe Authority.

- **Renovate Space for James Monroe Building Tenants and Demolish Monroe Building.** Recommends \$50.0 million GF for the demolition of the James Monroe Building and funding for renovation work and equipment to prepare other office space for current tenants of the James Monroe Building.
- **Construct Commonwealth Courts Building.** Recommends language directing the Chief Justice and Associate Justices of the Supreme Court of Virginia and the Chief Judge and Associate Judges of the Court of Appeals of Virginia and the Executive Secretary of the Supreme Court, in consultation with the Department of General Services, to reconsider the scope of the Commonwealth Courts Building project and develop a comprehensive plan that meets the future space needs of both courts around Capitol Square, which is acceptable to the Chief Justice of the Supreme Court of Virginia and the Chief Judge of the Court of Appeals of Virginia.

– **Higher Education Institutions**

- **Address Deferred Maintenance.** Proposes \$87.0 million VCBA 9(d) tax-supported bond proceeds the first year for eight umbrella projects at higher education institutions to address deferred maintenance needs of educational and general buildings. The following table lists the proposed funding amounts for each institution with a stand-alone deferred maintenance umbrella project.

Deferred Maintenance Umbrella Projects Higher Education (\$ in millions)	
<u>Institution</u>	<u>VCBA 9(d) Tax-Supported Debt</u>
George Mason University	\$12.0
Old Dominion University	12.0
Radford University	8.0
University of Mary Washington	5.5
University of Virginia	12.0
University of Virginia – Wise	1.5
Virginia Commonwealth University	12.0
Virginia Community College System	<u>24.0</u>
Total	\$87.0

- **CWM Supplement Renovate Dormitories.** Includes \$5.0 million NGF from 9(c) revenue bond proceeds the first year to support the renovation of William and Mary’s student housing facilities.
- **JMU Blanket Property Acquisition.** Includes \$3.0 million NGF from higher education operating funds the first year to enable James Madison University to acquire certain adjacent or neighboring properties as they become available.
- **JMU Renovate Spotswood Hall.** Includes \$23.8 million NGF from 9(c) revenue bond proceeds the first year to modernize the Spotswood Hall to meet the demands and evolution of student housing. This project renovates the architecture, infrastructure, technology, and life safety aspects of the residence building.
- **NSU Improve Campus Infrastructure.** Proposes \$14.1 million VCBA 9(d) tax-supported bond proceeds the first year to support upgrades to electrical transmission lines, storm water, sanitary sewer, and other utilities at Norfolk State University, which will improve campus resiliency and adaptation against flooding.
- **VCU Detailed Planning Construct New School of Dentistry.** Proposes \$5.2 million NGF from higher education operating funds the first year to authorize

Virginia Commonwealth University to plan through schematics for the construction of a new School of Dentistry. Language proposes VCU to consider and evaluate alternative sites, designs, and operational alternatives for replacement of the present Dentistry School facilities and present a report to the Six-Year Capital Outlay Plan Advisory Committee for approval of the most cost-effective option. In addition, pursuant to the language proposed in § 4-4.02 of the introduced budget, language requires VCU to cover 25 percent of the total project costs from nongeneral funds for the Educational and General Programs portion of the project and will be reimbursed for 75 percent of the designated nongeneral funds used in this item for planning when the project is funded to move into the construction phase.

- **VMI Renovate Crozet Hall.** Proposes \$46.9 million NGF the first year from higher education operating funds to renovate Crozet Hall dining facility at Virginia Military Institute.
- **VMI Renovate Patchin Field Soccer & Lacrosse Stadium and Paulette Hall.** Includes \$21.7 million NGF from higher education operating funds the first year to renovate the Patchin Field Soccer and Lacrosse Complex to include an improved playing surface, upgraded facilities and access, and to update Paulette Hall at Virginia Military Institute.
- **VT Improve Campus Accessibility.** Includes \$8.0 million VCBA 9(d) tax-supported bond proceeds the first year to address campus accessibility issues at Virginia Tech.
- **VSU Construct New Student Housing.** Proposes \$95.5 million NGF from 9(c) revenue bond proceeds to construct new student residence halls in three phases to house up to 750 additional students at Virginia State University.
- **VSU Improve South Entrance and Campus Security.** Proposes \$12.0 million VCBA 9(d) tax-supported bond proceeds the first year to support improvements to the Virginia State University's south entrance and to improve safety and security on campus, including fencing and sidewalk improvements. Language stipulates that the funds shall not be used for property acquisition.

- **VSU-Cooperative Extension Renovate Wilder Cooperative Extension Building.** Proposes \$5.9 million NGF from federal funds the first year to address deferred maintenance and renovate the Wilder Cooperative Extension building at Cooperative Extension and Agricultural Research Services at Virginia State with a federal grant.

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

- **Improvements Safety and Security Eastern State Hospital.** Proposes \$24.3 million VPBA 9(d) tax-supported bond proceeds the first year for renovations at Eastern State Hospital to ensure safety and security of patients, staff, and the surrounding communities. Language is included to permit the transfer of funds from this project to *project 194-18660, Renovate Eastern State Hospital*, managed by the Department of General Services, as appropriate for the purposes of efficiency in contracting and project management.
- **Improvements Renovate, Repair, and Upgrade State-Operated Facilities.** Recommends \$35.0 million GF the first year to fund the upgrade, repair, and renovation of the state facilities operated by the Department of Behavioral Health and Developmental Services. This includes, but is not limited to, security improvements, duress systems, HVAC systems, and other necessary projects. Language allows the director of the Department of Planning and Budget to transfer funds between this project and existing projects, including projects managed by the Department of General Services, as appropriate.

– **The Department of Conservation and Recreation**

- **Acquisition of Land for State Parks.** Proposes \$2.7 million NGF the first year for acquisition of land for state parks. This includes special, dedicated special revenue, and federal funds. Language proposes to add, as compared to Chapter 1, 2023 Special Session I, the following state parks to the land acquisition list: Machicomoco, Middle Peninsula, Sweet Run, Fairy Stone, False Cape, Staunton

River Battlefield, James River, Hungry Mother, Hayfields, and a new state park in Culpeper County.

- **Acquisition of Land for Natural Area Preserves.** Language proposes to add, as compared to Chapter 1, 2023 Special Session I, the following natural area preserves to the land acquisition list: Folly Mills Creek Fen, Grassy Hill, and Camp Branch Wetlands Natural Area Preserves.
- **Replace Underground Storage Tanks.** Proposes \$3.0 million from VCBA 9(d) tax-supported bond proceeds the first year for Phase I of the replacement of underground storage tanks at state parks.
- **Address Climate Control in State Park Yurts.** Proposes \$1.6 million from VCBA 9(d) tax-supported bond proceeds the first year to provide electric service and climate control to 49 yurts at 14 state park locations.
- **Acquisition Protect and Expand Buffalo Mountain Natural Area Preserve.** Proposes \$3.5 million from VPBA 9(d) tax-supported bond proceeds the first year for the expansion of Buffalo Mountain Natural Area Preserve and the acquisition of property adjacent to the preserve to develop a future state park.

– **The Department of Wildlife Resources**

- **Acquire Land and Property.** Recommends \$5.0 million NGF each year for the Department of Wildlife Resources to acquire land and property for the agency's umbrella project. This includes dedicated special revenue and federal funds.

– **The Department of Corrections**

- **Coffeewood Water Treatment Plant Upgrade.** Recommends language to continue capital project 799-16111 to treat toxicity in the reject stream of the water treatment plant at the Coffeewood Correctional Center.
- **DOC Capital Infrastructure Fund.** Proposes \$15.0 million from VPBA 9(d) tax-supported bond proceeds the first year for Capital Infrastructure Fund, providing funds for making repairs, renovations, and other necessary improvements to correctional facilities. Additionally, the introduced budget

removes language, as included in Chapter 1, 2023 Special Session I, requiring the Department of Planning and Budget to review and approve all maintenance reserve projects at facilities owned by the Department of Corrections.

– **The Department of Motor Vehicles**

- **Maintenance Reserve.** Recommends \$2.0 million NGF the first year to implement maintenance reserve projects required for the continued use of existing Department of Motor Vehicles' facilities.
- **Renovate DMV Headquarters.** Proposes \$14.8 million NGF the first year for renovations to the Department of Motor Vehicles headquarters, which was last renovated in the 1990s.

– **The Department of Transportation**

- **Maintenance Reserve.** Includes \$5.0 million NGF each year for maintenance reserve projects at the Department of Transportation's buildings and grounds.
- **Acquisition, Design, Construction and Renovation Agency Facilities.** Proposes \$94,840 GF the first year and \$35.0 million NGF each year to acquire, design, construct, and renovate facilities and land, including district facilities, residency offices, and area headquarters, to support the Department of Transportation's capital needs. The general fund amount represents the claim on a portion of the proceeds credited to VDOT, approved in accordance with *§ 2.2-1156 of the Code of Virginia*, from the sale of surplus property acquired in a previous property exchange with the Department of Corrections.

– **Virginia Port Authority**

- **Improve Cargo Handling Facilities.** Proposes \$105.0 million the first year and \$118.0 million the second year from nongeneral funds to improve cargo handling facilities at the Port. This infuses cash into an existing project.
- **Improve Expand Empty Yard.** Proposes \$105.0 million NGF the first year and \$118.0 million NGF the second year to improve the expansion of Empty Yard at the Port. This infuses cash into an existing project.

- **Maintain Berths and Wharfs.** Proposes \$6.0 million the first year and \$6.2 million the second year from federal funds to maintain wharfs and berths at the Port. This will support dredging of a berth, sediment removal, and the repair, replacement, and reinforcement of wharfs.

– **The Department of Military Affairs**

- **Maintenance Reserve.** Recommends \$2.0 million NGF the first year from federal funds to support maintenance reserve at the Department of Military Affairs.
- **Improve Readiness Centers.** Proposes \$3.0 million from VPBA 9(d) tax-supported bond proceeds and \$9.0 million NGF from federal funds the first year to repair, improve, and modernize the Department of Military Affairs' readiness centers.
- **Convert Southwest Virginia Readiness Center to a Regional Field Maintenance Shop.** Recommends \$6.4 million NGF from federal funds the first year to convert the Southwest Virginia Readiness Center into a Regional Field Maintenance Shop.
- **Construct Microgrid Emergency Backup Generator at the State Military Reservation.** Proposes \$49.3 million NGF from federal funds the first year to plan for the construction of a microgrid emergency backup generator at the State Military Reservation.
- **Construct Indoor Small Arms Firing Range and Military-Owned Vehicle Parking Lot at State Military Reservation.** Proposes \$30.0 million NGF the first year to mitigate physical impacts to buildings and the grounds at the State Military Reservation (SMR) in Virginia Beach, Virginia, because of the Coastal Virginia Offshore Wind (CVOW) project. Language restricts these funds to the planning, design, and construction of an Indoor Small Arms Firing Range and Military-Owned Vehicle Parking Lot at the State Military Reservation.

These nongeneral funds are derived from the Deed of Easement and Cable Landing Agreement between the Commonwealth of Virginia and the Virginia Electric and

Power Company (Dominion) related to the CVOW project. Language restricts the nongeneral funds for the two projects delineated and prohibits the Department from proceeding with any other SMR-related capital or non-capital projects that would require state funds for completion without specific authorization from the General Assembly.

- **Expand Suffolk Veterans Cemetery.** Proposed language authorizes the Department of Veteran Services to request federal funds to support expansion and construction at Albert G. Horton, Jr. Memorial Veterans Cemetery in Suffolk and authorizes a \$5.0 million state interest-free treasury loan to support design and construction cash flow after the U.S. Department of Veterans Affairs has determined federal funds will be allocated for this project. The treasury loan will be repaid with federal funds.

SB 30 Appendices

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APPENDIX A

Direct Aid to Public Education
2024-25 Summary

Summary of Recommended Direct Aid - SB 30, As Introduced - FY 2025

School Division	Key Data Elements					Technical	Proposed Policy Changes						FY 2025 Estimated Distribution (SB 30)
	2024-26 Comp. Index	FY 2025 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Rebenchmarking & Technical	Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	1% Bonus	Reading Specialists Grades 4-8	Accomack Northampton & Rappahannock	
ACCOMACK	0.3487	4,582	47,692,090	(4,929,630)	42,762,460	2,601,200	(312,347)	65,092	-	248,472	137,087	667,256	46,169,220
ALBEMARLE	0.6904	13,302	78,409,945	(4,091,622)	74,318,323	(6,289,633)	(2,181,035)	454,524	(421,335)	311,074	169,343	-	66,361,261
ALLEGHANY	0.2737	2,583	30,598,442	(1,661,614)	28,936,828	1,703,019	(150,596)	31,383	-	164,342	82,632	-	30,767,609
AMELIA	0.3758	1,458	15,340,324	(921,847)	14,418,477	(928,011)	(134,353)	28,000	-	70,854	38,259	-	13,493,226
AMHERST	0.3015	3,713	39,165,330	(2,717,821)	36,447,509	2,826,214	(255,138)	53,170	-	213,180	116,133	-	39,401,068
APPOMATTOX	0.2822	2,262	22,757,277	(1,585,361)	21,171,916	1,265,084	(137,293)	28,612	-	123,824	69,399	-	22,521,542
ARLINGTON	0.8000	26,675	109,171,860	(3,746,046)	105,425,814	2,750,080	(4,490,599)	935,833	(1,486,369)	455,108	239,594	-	103,829,460
AUGUSTA	0.3888	9,691	85,270,886	(4,279,555)	80,991,331	4,746,664	(825,968)	172,130	-	456,453	268,476	-	85,809,086
BATH	0.8000	468	2,478,194	(179,435)	2,298,759	150,501	(75,319)	15,696	(23,923)	10,022	4,482	-	2,380,218
BEDFORD	0.3132	8,665	80,021,209	(4,878,943)	75,142,266	3,413,492	(690,751)	143,951	-	435,546	261,038	-	78,705,542
BLAND	0.3046	749	7,797,419	(425,666)	7,371,753	140,577	(39,918)	8,319	-	43,225	24,842	-	7,548,798
BOTETOURT	0.4068	4,312	34,774,265	(1,597,172)	33,177,093	2,817,281	(382,225)	79,656	-	197,886	110,892	-	36,000,583
BRUNSWICK	0.4379	1,311	16,820,100	(1,075,761)	15,744,339	578,309	(148,267)	30,899	-	73,434	34,697	-	16,313,411
BUCHANAN	0.2557	2,168	25,787,024	(1,802,032)	23,984,992	902,620	(123,271)	25,689	-	138,817	75,130	-	25,003,977
BUCKINGHAM	0.3379	1,753	20,089,259	(1,731,606)	18,357,653	(97,328)	(144,196)	30,050	-	94,269	54,039	-	18,294,487
CAMPBELL	0.2877	7,482	71,152,553	(4,300,101)	66,852,452	3,754,222	(452,076)	94,212	-	396,595	231,499	-	70,876,904
CAROLINE	0.3501	4,344	38,041,410	(2,582,809)	35,458,601	3,726,665	(344,078)	71,706	-	210,518	126,583	-	39,249,994
CARROLL	0.2804	3,200	35,514,418	(2,405,577)	33,108,841	667,858	(204,030)	42,519	-	193,363	104,704	-	33,913,256
CHARLES CITY	0.6669	465	4,492,161	(236,130)	4,256,031	(445,999)	(87,923)	18,323	(31,610)	16,118	7,558	-	3,732,498
CHARLOTTE	0.2470	1,592	17,347,790	(1,405,434)	15,942,356	1,802,312	(80,631)	16,803	-	102,012	52,303	-	17,835,155
CHESTERFIELD	0.3563	62,809	534,600,305	(30,170,131)	504,430,174	15,126,613	(4,544,587)	947,083	-	2,911,671	1,726,506	-	520,597,459
CLARKE	0.6032	1,871	12,116,195	(551,101)	11,565,094	(218,317)	(256,745)	53,505	(31,427)	57,841	28,837	-	11,198,789
CRAIG	0.3629	439	5,235,239	(434,046)	4,801,193	145,433	(45,555)	9,493	-	26,828	12,879	-	4,950,271
CULPEPER	0.3617	8,140	71,370,206	(4,280,350)	67,089,856	6,665,770	(651,749)	135,823	-	407,987	233,591	-	73,881,278
CUMBERLAND	0.3323	1,098	16,603,041	(1,240,985)	15,362,056	(1,706,300)	(90,607)	18,882	-	74,766	33,419	-	13,992,217
DICKENSON	0.2157	1,751	21,696,734	(1,631,340)	20,065,394	570,149	(82,218)	17,134	-	116,722	66,480	-	20,753,661
DINWIDDIE	0.2978	4,060	43,099,558	(2,814,878)	40,284,680	888,870	(248,250)	51,734	-	226,647	128,789	-	41,332,470
ESSEX	0.4189	1,068	10,825,662	(732,671)	10,092,991	(80,223)	(110,191)	22,964	-	52,366	29,849	-	10,007,755
FAIRFAX	0.6579	172,353	1,006,832,068	(43,752,001)	963,080,067	25,573,703	(23,906,481)	4,982,066	(5,129,892)	5,136,118	2,658,277	-	972,393,859
FAUQUIER	0.6006	10,540	68,722,777	(4,215,905)	64,506,872	2,534,866	(1,427,937)	297,580	(135,819)	340,890	180,916	-	66,297,368
FLOYD	0.4056	1,582	15,908,972	(963,531)	14,945,441	(1,246,190)	(163,172)	34,005	-	76,476	38,595	-	13,685,155
FLUVANNA	0.3934	3,201	30,096,829	(1,596,066)	28,500,763	171,706	(292,518)	60,960	-	164,070	83,697	-	28,688,678
FRANKLIN	0.4596	5,792	52,727,443	(4,678,782)	48,048,661	(1,685,347)	(639,273)	133,224	-	239,021	141,507	-	46,237,793
FREDERICK	0.4151	14,139	111,158,313	(6,055,184)	105,103,129	11,754,371	(1,234,616)	257,292	-	615,801	371,357	-	116,867,334
GILES	0.2117	3,470	35,404,658	(2,608,917)	32,795,741	1,863,647	(96,451)	20,100	-	202,517	166,618	-	34,952,172
GLOUCESTER	0.3999	4,774	39,739,780	(3,005,130)	36,734,650	3,236,583	(433,194)	90,277	-	218,131	128,829	-	39,975,276
GOOCHLAND	0.8000	2,461	10,693,421	(337,108)	10,356,313	26,317	(500,105)	104,221	(143,539)	38,052	20,768	-	9,902,027
GRAYSON	0.3196	1,504	16,251,411	(974,742)	15,276,669	1,500,213	(109,271)	22,772	-	90,190	47,862	-	16,828,435
GREENE	0.3411	2,702	24,388,722	(1,314,047)	23,074,675	3,180,575	(221,946)	46,253	-	147,681	77,969	-	26,305,207
GREENSVILLE	0.3898	1,054	10,736,992	(794,110)	9,942,882	215,660	(89,197)	18,589	-	53,608	30,268	-	10,171,809
HALIFAX	0.3012	4,083	48,117,096	(4,994,227)	43,122,869	2,071,081	(278,919)	58,126	-	246,490	124,287	-	45,343,934
HANOVER	0.4894	16,242	117,412,079	(5,333,189)	112,078,890	(1,310,304)	(1,694,705)	353,174	-	609,031	363,045	-	110,399,132
HENRICO	0.4273	49,010	393,480,235	(23,891,592)	369,588,643	36,633,428	(4,349,302)	906,386	-	2,094,663	1,227,628	-	406,101,447
HENRY	0.2247	6,584	76,264,087	(5,404,965)	70,859,122	2,946,369	(297,376)	61,973	-	418,250	232,422	-	74,220,759
HIGHLAND	0.8000	199	2,591,860	(198,051)	2,393,809	35,352	(16,432)	3,424	-	5,723	4,218	-	2,426,094
ISLE OF WIGHT	0.3704	5,367	45,556,451	(2,572,352)	42,984,099	2,534,463	(454,978)	94,817	-	250,660	141,293	-	45,550,354
JAMES CITY	0.5403	10,107	67,704,025	(3,515,046)	64,188,979	1,169,894	(1,183,943)	246,731	(55,034)	347,325	193,258	-	64,907,210
KING GEORGE	0.3633	4,379	35,592,145	(2,356,927)	33,235,218	3,226,687	(355,332)	74,050	-	204,261	123,868	-	36,508,751
KING QUEEN	0.3998	769	8,472,045	(520,219)	7,951,826	(145,384)	(62,987)	13,127	-	41,641	16,555	-	7,814,778
KING WILLIAM	0.3146	2,056	19,670,357	(1,196,005)	18,474,352	1,153,203	(133,757)	27,875	-	121,377	55,165	-	19,698,215
LANCASTER	0.8000	930	4,825,014	(232,049)	4,592,965	12,391	(173,472)	36,151	(113,635)	17,494	8,890	-	4,380,784
LEE	0.1712	2,723	34,289,237	(2,281,147)	32,008,090	5,283,143	(101,271)	21,104	-	223,441	108,086	-	37,542,593
LOUDOUN	0.5518	81,475	521,695,987	(22,511,941)	499,184,046	24,010,852	(9,076,276)	1,891,479	(541,563)	2,889,435	1,664,504	-	520,022,477
LOUISA	0.5041	4,971	35,226,716	(1,801,052)	33,425,664	3,038,352	(549,568)	114,530	(5,558)	183,517	106,194	-	36,313,131
LUNENBURG	0.2614	1,483	16,583,330	(1,617,206)	14,966,124	2,819,685	(86,157)	17,954	-	96,703	47,918	-	17,862,227
MADISON	0.4746	1,600	12,773,982	(895,201)	11,878,781	272,714	(188,536)	39,290	-	65,007	35,417	-	12,102,674
MATHEWS	0.5904	761	6,845,585	(351,464)	6,494,121	(297,773)	(107,632)	22,430	(27,934)	28,423	15,711	-	6,127,345
MECKLENBURG	0.3893	3,641	33,229,579	(2,642,414)	30,587,165	2,364,420	(291,558)	60,760	-	171,878	100,478	-	32,993,143

Summary of Recommended Direct Aid - SB 30, As Introduced - FY 2025

School Division	Key Data Elements					Technical	Proposed Policy Changes					FY 2025 Estimated Distribution (SB 30)	
	2024-26 Comp. Index	FY 2025 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Rebenchmarking & Technical	Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	1% Bonus	Reading Specialists Grades 4-8		Accomack Northampton & Rappahannock
MIDDLESEX	0.6389	1,132	8,568,001	(513,462)	8,054,539	(374,614)	(142,368)	29,669	(44,306)	40,921	17,993	-	7,581,834
MONTGOMERY	0.4041	9,267	75,448,979	(3,987,202)	71,461,777	5,812,756	(883,709)	184,164	-	418,079	241,981	-	77,235,047
NELSON	0.6645	1,380	9,610,597	(576,882)	9,033,715	(278,070)	(227,505)	47,412	(52,472)	40,226	19,346	-	8,582,652
NEW KENT	0.4391	3,522	25,662,959	(1,194,963)	24,467,996	1,616,379	(297,901)	62,082	-	138,626	82,578	-	26,069,760
NORTHAMPTON	0.5253	1,251	13,492,885	(1,354,068)	12,138,817	(553,801)	(157,232)	32,767	(13,114)	57,480	27,913	132,744	11,665,575
NORTHUMBERLAND	0.7672	1,078	6,866,134	(367,010)	6,499,124	(1,129,448)	(177,370)	36,964	(111,865)	20,461	11,318	-	5,149,184
NOTTOWAY	0.2696	1,692	19,697,984	(1,454,336)	18,243,648	576,891	(106,376)	22,169	-	103,098	57,529	-	18,896,959
ORANGE	0.4382	4,825	39,333,006	(2,299,919)	37,033,087	2,250,401	(470,743)	98,102	-	202,889	123,936	-	39,237,673
PAGE	0.3356	2,816	28,766,277	(1,937,966)	26,828,311	406,112	(214,505)	44,702	-	146,668	78,625	-	27,289,913
PATRICK	0.2475	2,235	25,615,918	(1,598,484)	24,017,434	96,301	(108,351)	22,581	-	134,945	65,372	-	24,228,281
PITTSYLVANIA	0.2642	7,365	81,108,151	(7,460,671)	73,647,480	1,975,531	(422,815)	88,114	-	423,553	247,407	-	75,959,271
POWHATAN	0.4704	4,058	27,110,514	(1,304,931)	25,805,583	3,603,882	(431,672)	89,959	-	161,033	91,239	-	29,320,025
PRINCE EDWARD	0.3776	1,655	18,306,997	(1,425,374)	16,881,623	(110,392)	(174,833)	36,435	-	83,835	50,873	-	16,767,541
PRINCE GEORGE	0.2321	5,979	56,839,785	(3,651,095)	53,188,690	8,107,224	(268,993)	56,058	-	336,646	210,845	-	61,630,469
PRINCE WILLIAM	0.3631	87,881	807,356,127	(41,448,611)	765,907,516	45,596,481	(6,482,304)	1,350,901	-	4,623,539	2,712,009	-	813,708,142
PULASKI	0.3303	4,172	36,186,496	(2,714,380)	33,472,116	6,914,303	(273,936)	57,088	-	222,805	123,514	-	40,515,890
RAPPAHANNOCK	0.8000	728	3,586,541	(156,734)	3,429,807	36,264	(82,329)	17,157	(65,789)	12,604	1,436	1,779,197	5,128,347
RICHMOND	0.3110	1,339	13,319,945	(828,626)	12,491,319	932,222	(70,380)	14,667	-	72,639	40,389	-	13,480,856
ROANOKE	0.3635	13,289	111,528,572	(5,922,740)	105,605,832	6,718,294	(1,000,488)	208,500	-	639,430	376,432	-	112,547,999
ROCKBRIDGE	0.4847	2,178	18,042,334	(982,791)	17,059,543	691,231	(279,305)	58,206	-	93,544	47,164	-	17,670,384
ROCKINGHAM	0.4349	11,071	96,896,875	(5,163,624)	91,733,251	(3,061,337)	(1,100,715)	229,388	-	474,889	276,995	-	88,552,470
RUSSELL	0.2265	3,135	36,899,448	(2,476,664)	34,422,784	1,260,221	(153,522)	31,993	-	204,484	106,334	-	35,872,294
SCOTT	0.1872	3,999	49,002,004	(2,837,067)	46,164,937	7,443,667	(105,215)	21,926	-	338,677	177,612	-	54,041,604
SHENANDOAH	0.4248	5,425	47,687,075	(2,738,727)	44,948,348	1,810,841	(544,979)	113,573	-	241,011	142,340	-	46,711,134
SMYTH	0.2225	3,598	42,873,501	(2,737,586)	40,135,915	2,495,787	(175,162)	36,503	-	238,127	120,084	-	42,851,254
SOUTHAMPTON	0.2987	2,335	25,019,515	(1,826,608)	23,192,907	583,585	(146,875)	30,609	-	129,701	74,532	-	23,864,458
SPOTSYLVANIA	0.3702	23,180	210,874,759	(13,648,651)	197,226,108	6,954,322	(1,856,876)	386,969	-	1,135,447	653,795	-	204,499,765
STAFFORD	0.3312	31,153	262,607,498	(15,310,444)	247,297,054	25,871,960	(2,034,291)	423,942	-	1,580,175	885,864	-	274,024,704
SURRY	0.8000	653	3,724,477	(197,028)	3,527,449	(6,716)	(115,943)	24,163	(56,818)	13,600	6,082	-	3,391,816
SUSSEX	0.3434	936	11,885,992	(936,254)	10,949,738	324,481	(72,838)	15,179	-	52,614	32,210	-	11,301,385
TAZEWELL	0.2461	5,036	55,989,796	(3,572,785)	52,417,011	2,739,787	(259,293)	54,037	-	300,049	162,134	-	55,413,725
WARREN	0.4517	4,964	40,255,931	(2,090,874)	38,165,057	1,324,496	(550,212)	114,663	-	208,884	114,472	-	39,377,359
WASHINGTON	0.3459	6,361	60,097,556	(3,558,039)	56,539,517	4,566,328	(473,650)	98,708	-	342,358	190,942	-	61,264,204
WESTMORELAND	0.5065	1,492	16,334,377	(1,086,183)	15,248,194	119,993	(173,491)	36,155	(3,823)	65,468	31,563	-	15,324,059
WISE	0.2020	5,393	58,938,412	(3,896,252)	55,042,160	3,617,910	(193,556)	40,337	-	331,958	187,470	-	59,026,279
WYTHE	0.3243	3,608	36,137,306	(2,333,220)	33,804,086	1,900,862	(248,810)	51,851	-	192,672	108,783	-	35,809,444
YORK	0.3554	12,966	99,010,025	(4,863,014)	94,147,011	19,306,655	(861,728)	179,583	-	597,137	372,798	-	113,741,456
ALEXANDRIA	0.8000	15,650	71,213,136	(3,039,964)	68,173,172	1,522,669	(2,733,546)	569,666	(1,826,661)	262,947	148,569	-	66,116,816
BRISTOL	0.2977	2,006	23,579,976	(1,395,382)	22,184,594	1,876,480	(137,323)	28,618	-	127,920	65,917	-	24,146,206
BUENA VISTA	0.1803	763	10,194,686	(610,510)	9,584,176	897,285	(32,102)	6,689	-	62,011	27,500	-	10,545,560
CHARLOTTESVILLE	0.7702	4,086	26,284,504	(1,484,781)	24,799,723	(2,555,787)	(805,416)	167,848	(377,070)	72,860	39,752	-	21,341,910
COLONIAL HEIGHTS	0.4026	2,824	24,223,612	(1,676,033)	22,547,579	1,776,896	(228,186)	47,553	-	130,113	79,025	-	24,352,980
COVINGTON	0.0000	-	-	-	-	-	-	-	-	-	-	-	-
DANVILLE	0.2411	5,252	64,108,204	(4,695,818)	59,412,386	6,088,799	(291,134)	60,671	-	330,022	204,064	-	65,804,808
FALLS CHURCH	0.8000	2,554	9,828,415	(322,153)	9,506,262	596,316	(408,008)	85,028	(38,524)	41,866	22,491	-	9,805,431
FREDERICKSBURG	0.6163	3,311	25,863,164	(2,240,000)	23,623,164	(1,822,519)	(444,750)	92,685	(34,237)	102,395	56,917	-	21,573,656
GALAX	0.2661	1,357	13,972,783	(958,405)	13,014,378	965,040	(55,352)	11,536	-	76,892	49,325	-	14,061,819
HAMPTON	0.2579	18,814	189,424,527	(12,384,309)	177,040,218	10,185,378	(965,173)	201,140	-	1,043,877	637,640	-	188,143,079
HARRISONBURG	0.3335	6,505	66,268,104	(5,450,476)	60,817,628	3,814,025	(427,902)	89,174	-	339,709	212,771	-	64,845,406
HOPEWELL	0.1870	3,574	41,690,986	(3,013,764)	38,677,222	2,920,062	(136,098)	28,363	-	226,388	141,695	-	41,857,633
LYNCHBURG	0.3872	7,161	74,128,263	(5,845,979)	68,282,284	1,619,931	(734,518)	153,072	-	347,163	195,478	-	69,863,410
MARTINSVILLE	0.2229	1,664	20,234,809	(2,141,434)	18,093,375	2,351,682	(86,614)	18,050	-	103,524	64,452	-	20,544,469
NEWPORT NEWS	0.2729	24,468	268,276,548	(20,927,950)	247,348,598	9,356,539	(1,452,883)	302,778	-	1,374,750	805,079	-	257,734,861
NORFOLK	0.3212	24,762	260,378,802	(18,094,541)	242,284,261	4,077,443	(1,802,773)	375,694	-	1,306,429	785,958	-	247,027,012
NORTON	0.2412	742	8,032,073	(523,173)	7,508,900	503,373	(30,126)	6,279	-	45,110	25,409	-	8,058,945
PETERSBURG	0.2075	4,099	50,503,929	(4,234,441)	46,269,488	5,000,502	(172,451)	35,939	-	252,601	166,894	-	51,552,973
PORTSMOUTH	0.2369	12,408	139,109,928	(10,673,927)	128,436,001	7,811,014	(659,473)	137,433	-	712,330	456,270	-	136,893,574
RADFORD	0.1658	3,059	33,506,749	(2,146,119)	31,360,630	720,478	(50,150)	10,452	-	201,760	122,291	-	32,365,461

Summary of Recommended Direct Aid - SB 30, As Introduced - FY 2025

School Division	Key Data Elements					Technical	Proposed Policy Changes						FY 2025 Estimated Distribution (SB 30)
	2024-26 Comp. Index	FY 2025 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One- Time Spending	2024-26 Base Budget	Rebenchmark- ing & Technical	Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	1% Bonus	Reading Specialists Grades 4-8	Accomack Northampton & Rappahannock	
RICHMOND CITY	0.5740	19,537	184,141,681	(14,190,169)	169,951,512	(5,114,259)	(2,640,769)	550,332	(636,576)	707,726	424,495	-	163,242,460
ROANOKE CITY	0.3388	12,813	139,667,703	(14,037,814)	125,629,889	15,243,576	(937,794)	195,434	-	682,173	420,221	-	141,233,499
STAUNTON	0.3767	2,510	23,645,503	(1,373,871)	22,271,632	2,429,733	(246,477)	51,365	-	115,239	63,293	-	24,684,785
SUFFOLK	0.3493	13,897	123,326,085	(8,100,642)	115,225,443	6,346,854	(1,091,901)	227,550	-	653,004	391,170	-	121,752,120
VIRGINIA BEACH	0.4138	62,658	494,773,904	(29,305,582)	465,468,322	13,027,216	(5,529,824)	1,152,405	-	2,628,789	1,568,737	-	478,315,645
WAYNESBORO	0.3633	2,821	26,571,870	(1,562,262)	25,009,608	1,094,938	(228,943)	47,711	-	141,216	77,995	-	26,142,525
WILLIAMSBURG	0.7426	1,104	7,090,944	(382,624)	6,708,320	538,083	(170,278)	35,485	(70,129)	23,058	12,992	-	7,077,532
WINCHESTER	0.4151	3,964	37,145,585	(2,413,454)	34,732,131	1,100,097	(332,744)	69,343	-	184,935	112,501	-	35,866,263
FAIRFAX CITY	0.8000	2,918	11,517,141	(373,159)	11,143,982	614,404	(497,708)	103,721	(163,726)	50,368	26,898	-	11,277,938
FRANKLIN CITY	0.2884	927	12,243,774	(802,528)	11,441,246	(194,970)	(71,815)	14,966	-	58,144	31,924	-	11,279,494
CHESAPEAKE CITY	0.3273	39,452	355,432,942	(20,448,820)	334,984,122	19,902,790	(2,731,875)	569,318	-	1,952,021	1,157,766	-	355,834,141
LEXINGTON	0.3987	654	5,172,170	(211,857)	4,960,313	41,344	(45,899)	9,565	-	29,794	18,095	-	5,013,212
EMPORIA	0.2340	820	9,479,918	(602,986)	8,876,932	864,929	(43,508)	9,068	-	52,510	29,551	-	9,789,481
SALEM	0.3632	4,163	29,112,009	(1,556,051)	27,555,958	7,730,954	(239,534)	49,918	-	195,073	117,508	-	35,409,876
BEDFORD CITY	0.0000	-	-	-	-	-	-	-	-	-	-	-	-
POQUOSON	0.3466	2,007	15,921,806	(979,814)	14,941,992	1,629,222	(147,362)	30,710	-	98,488	50,422	-	16,603,472
MANASSAS CITY	0.3371	7,201	76,182,764	(4,325,042)	71,857,722	3,177,582	(486,374)	101,359	-	407,187	245,740	-	75,303,216
MANASSAS PARK	0.2716	3,161	36,946,160	(2,636,673)	34,309,487	4,119,778	(162,675)	33,901	-	204,075	110,754	-	38,615,319
COLONIAL BEACH	0.3675	566	5,852,893	(384,115)	5,468,778	748,461	(36,975)	7,705	-	34,770	19,096	-	6,241,835
WEST POINT	0.2489	816	7,459,802	(471,133)	6,988,669	845,701	(32,108)	6,690	-	45,494	24,760	-	7,879,206
TOTAL:		1,212,152	\$ 10,004,450,688	\$(597,491,254)	\$ 9,406,959,434	\$ 472,414,629	\$(114,475,090)	\$ 23,856,394	\$ (11,642,748)	\$ 53,012,817	\$ 30,467,964	\$ 2,579,197	\$ 9,863,172,598

HB 30/SB 30

APPENDIX B

Direct Aid to Public Education
2025-26 Summary

Summary of Recommended Direct Aid - SB 30, As Introduced - FY 2026

School Division	Key Data Elements					Technical	Proposed Policy Changes					FY 2026 Estimated Distribution (SB 30)	
	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One- Time Spending	2024-26 Base Budget	Rebenchmarking & Technical	Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	2% Compensation Supplement	Reading Specialists Grades 4-8		Accomack Northampton & Rappahannock
ACCOMACK	0.3487	4,581	47,692,090	(4,929,630)	42,762,460	2,668,104	(312,348)	168,683	-	569,474	140,499	668,480	46,665,351
ALBEMARLE	0.6904	13,244	78,409,945	(4,091,622)	74,318,323	(5,991,603)	(2,181,036)	1,177,861	(419,437)	702,881	172,844	-	67,779,833
ALLEGHANY	0.2737	2,544	30,598,442	(1,661,614)	28,936,828	771,114	(150,596)	81,329	-	389,407	81,388	-	30,109,470
AMELIA	0.3758	1,427	15,340,324	(921,847)	14,418,477	(1,133,384)	(134,353)	72,557	-	163,015	36,543	-	13,422,855
AMHERST	0.3015	3,686	39,165,330	(2,717,821)	36,447,509	2,627,374	(255,139)	137,786	-	487,882	118,152	-	39,563,564
APPOMATTOX	0.2822	2,259	22,757,277	(1,585,361)	21,171,916	1,319,106	(137,294)	74,146	-	289,619	71,080	-	22,788,573
ARLINGTON	0.8000	26,783	109,171,860	(3,746,046)	105,425,814	4,372,890	(4,490,599)	2,425,133	(1,492,790)	1,053,844	251,409	-	107,545,701
AUGUSTA	0.3888	9,680	85,270,886	(4,279,555)	80,991,331	4,971,404	(825,968)	446,061	-	1,067,946	268,163	-	86,918,937
BATH	0.8000	460	2,478,194	(179,435)	2,298,759	141,718	(75,319)	40,675	(20,933)	22,355	4,217	-	2,411,472
BEDFORD	0.3132	8,622	80,021,209	(4,878,943)	75,142,266	3,261,131	(690,751)	373,037	-	1,022,218	253,494	-	79,361,396
BLAND	0.3046	734	7,797,419	(425,666)	7,371,753	52,294	(39,918)	21,557	-	99,085	24,349	-	7,529,120
BOTETOURT	0.4068	4,293	34,774,265	(1,597,172)	33,177,093	2,803,708	(382,224)	206,419	-	459,556	107,769	-	36,372,321
BRUNSWICK	0.4379	1,287	16,820,100	(1,075,761)	15,744,339	416,954	(148,267)	80,071	-	191,928	33,802	-	16,318,828
BUCHANAN	0.2557	2,126	25,787,024	(1,802,032)	23,984,992	455,021	(123,272)	66,572	-	311,326	73,650	-	24,768,289
BUCKINGHAM	0.3379	1,705	20,089,259	(1,731,606)	18,357,653	(464,600)	(144,196)	77,873	-	220,100	54,956	-	18,101,785
CAMPBELL	0.2877	7,487	71,152,553	(4,300,101)	66,852,452	3,891,617	(452,670)	244,142	-	915,966	231,638	-	71,683,739
CAROLINE	0.3501	4,445	38,041,410	(2,582,809)	35,458,601	4,763,834	(344,078)	185,818	-	503,323	129,525	-	40,697,022
CARROLL	0.2804	3,158	35,514,418	(2,405,577)	33,108,841	309,647	(204,029)	110,185	-	440,892	108,338	-	33,873,875
CHARLES CITY	0.6669	455	4,492,161	(236,130)	4,256,031	(476,115)	(87,923)	47,482	(31,610)	38,359	7,243	-	3,753,467
CHARLOTTE	0.2470	1,580	17,347,790	(1,405,434)	15,942,356	1,689,338	(80,632)	43,545	-	232,215	54,533	-	17,881,355
CHESTERFIELD	0.3563	62,926	534,600,305	(30,170,131)	504,430,174	17,896,839	(4,544,587)	2,454,289	-	6,761,584	1,729,722	-	528,728,021
CLARKE	0.6032	1,890	12,116,195	(551,101)	11,565,094	(39,367)	(256,745)	138,654	(32,476)	136,127	29,911	-	11,541,198
CRAIG	0.3629	425	5,235,239	(434,046)	4,801,193	46,833	(45,555)	24,602	-	60,372	12,209	-	4,899,654
CULPEPER	0.3617	8,145	71,370,206	(4,280,350)	67,089,856	7,134,526	(651,749)	351,974	-	951,655	239,395	-	75,115,657
CUMBERLAND	0.3323	1,062	16,603,041	(1,240,985)	15,362,056	(2,077,252)	(90,607)	48,932	-	169,526	33,854	-	13,446,509
DICKENSON	0.2157	1,714	21,696,734	(1,631,340)	20,065,394	212,258	(82,217)	44,401	-	257,807	62,393	-	20,560,036
DINWIDDIE	0.2978	4,022	43,099,558	(2,814,878)	40,284,680	695,972	(248,250)	134,066	-	527,805	124,506	-	41,518,779
ESSEX	0.4189	1,037	10,825,662	(732,671)	10,092,991	(309,050)	(110,191)	59,509	-	113,975	29,695	-	9,876,928
FAIRFAX	0.6579	172,560	1,006,832,068	(43,752,001)	963,080,067	33,782,085	(23,906,480)	12,910,615	(5,136,651)	11,853,003	2,661,368	-	995,244,008
FAUQUIER	0.6006	10,523	68,722,777	(4,215,905)	64,506,872	2,837,790	(1,427,937)	771,153	(134,797)	797,279	180,870	-	67,531,297
FLOYD	0.4056	1,550	15,908,972	(963,531)	14,945,441	(1,436,840)	(163,172)	88,120	-	169,964	39,773	-	13,643,285
FLUVANNA	0.3934	3,196	30,096,829	(1,596,066)	28,500,763	130,668	(292,519)	157,974	-	374,749	86,365	-	28,958,000
FRANKLIN	0.4596	5,731	52,727,443	(4,678,782)	48,048,661	(1,854,594)	(639,273)	345,238	-	549,317	143,123	-	46,592,472
FREDERICK	0.4151	14,302	111,158,313	(6,055,184)	105,103,129	13,524,606	(1,234,617)	666,751	-	1,488,909	375,644	-	119,924,422
GILES	0.2117	3,476	35,404,658	(2,608,917)	32,795,741	1,943,621	(96,451)	52,088	-	454,140	166,690	-	35,315,829
GLOUCESTER	0.3999	4,749	39,739,780	(3,005,130)	36,734,650	3,196,522	(433,194)	233,945	-	504,998	131,016	-	40,367,936
GOOCHLAND	0.8000	2,452	10,693,421	(337,108)	10,356,313	143,321	(500,105)	270,080	(143,539)	88,305	21,711	-	10,236,086
GRAYSON	0.3196	1,507	16,251,411	(974,742)	15,276,669	1,573,366	(109,270)	59,011	-	210,506	50,151	-	17,060,433
GREENE	0.3411	2,685	24,388,722	(1,314,047)	23,074,675	3,143,447	(221,946)	119,861	-	331,961	77,570	-	26,525,568
GREENSVILLE	0.3898	1,032	10,736,992	(794,110)	9,942,882	47,711	(89,197)	48,171	-	119,010	30,266	-	10,098,843
HALIFAX	0.3012	4,028	48,117,096	(4,994,227)	43,122,869	1,657,928	(278,919)	150,629	-	564,327	125,830	-	45,342,664
HANOVER	0.4894	16,137	117,412,079	(5,333,189)	112,078,890	(1,401,424)	(1,694,706)	915,220	-	1,377,179	352,280	-	111,627,440
HENRICO	0.4273	49,025	393,480,235	(23,891,592)	369,588,643	39,024,981	(4,349,301)	2,348,825	-	4,907,538	1,227,999	-	412,748,686
HENRY	0.2247	6,552	76,264,087	(5,404,965)	70,859,122	2,688,044	(297,376)	160,597	-	957,311	242,744	-	74,610,442
HIGHLAND	0.8000	196	2,591,860	(198,051)	2,393,809	7,102	(16,432)	8,875	-	13,076	4,402	-	2,410,832
ISLE OF WIGHT	0.3704	5,321	45,556,451	(2,572,352)	42,984,099	2,313,613	(454,978)	245,709	-	578,692	143,603	-	45,810,738
JAMES CITY	0.5403	10,089	67,704,025	(3,515,056)	64,188,979	1,493,314	(1,183,944)	639,385	(55,034)	799,467	207,041	-	66,089,209
KING GEORGE	0.3633	4,396	35,592,145	(2,356,927)	33,235,218	3,485,095	(355,333)	191,897	-	475,828	121,453	-	37,154,158
KING QUEEN	0.3998	758	8,472,045	(520,219)	7,951,826	(217,099)	(62,986)	34,015	-	95,356	16,772	-	7,817,884
KING WILLIAM	0.3146	2,071	19,670,357	(1,196,005)	18,474,352	929,396	(133,757)	72,235	-	268,162	57,149	-	19,667,538
LANCASTER	0.8000	921	4,825,014	(232,049)	4,592,965	30,883	(173,472)	93,683	(113,635)	38,952	9,420	-	4,478,796
LEE	0.1712	2,700	34,289,237	(2,281,147)	32,008,090	5,006,837	(101,272)	54,692	-	509,423	110,038	-	37,587,807
LOUDOUN	0.5518	81,459	521,695,987	(22,511,941)	499,184,046	27,249,032	(9,076,275)	4,901,612	(541,563)	6,640,799	1,701,255	-	530,058,906
LOUISA	0.5041	4,989	35,226,716	(1,801,052)	33,425,664	3,353,792	(549,567)	296,792	(5,599)	430,416	109,054	-	37,060,553
LUNENBURG	0.2614	1,476	16,583,330	(1,617,206)	14,966,124	2,786,936	(86,157)	46,529	-	228,927	50,022	-	17,992,380
MADISON	0.4746	1,596	12,773,982	(895,201)	11,878,781	293,682	(188,535)	101,817	-	148,831	37,108	-	12,271,684
MATHEWS	0.5904	729	6,845,585	(351,464)	6,494,121	(461,260)	(107,632)	58,126	(27,033)	62,427	15,787	-	6,034,536
MECKLENBURG	0.3893	3,613	33,229,579	(2,642,414)	30,587,165	2,207,056	(291,557)	157,455	-	393,925	101,917	-	33,155,960
MIDDLESEX	0.6389	1,121	8,568,001	(513,462)	8,054,539	(414,723)	(142,368)	76,886	(44,306)	94,055	18,209	-	7,642,292

Summary of Recommended Direct Aid - SB 30, As Introduced - FY 2026

School Division	Key Data Elements					Technical	Proposed Policy Changes					FY 2026 Estimated Distribution (SB 30)	
	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One- Time Spending	2024-26 Base Budget	Rebenchmarking & Technical	Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	2% Compensation Supplement	Reading Specialists Grades 4-8		Accomack Northampton & Rappahannock
MONTGOMERY	0.4041	9,216	75,448,979	(3,987,202)	71,461,777	5,803,940	(883,708)	477,244	-	967,907	240,584	-	78,067,743
NELSON	0.6645	1,344	9,610,597	(576,882)	9,033,715	(376,698)	(227,505)	122,863	(49,192)	93,081	19,375	-	8,615,640
NEW KENT	0.4391	3,598	25,662,959	(1,194,963)	24,467,996	2,199,270	(297,901)	160,880	-	338,773	82,355	-	26,951,373
NORTHAMPTON	0.5253	1,237	13,492,885	(1,354,068)	12,138,817	(563,319)	(157,232)	84,913	(13,114)	131,005	29,387	131,520	11,781,977
NORTHUMBERLAND	0.7672	1,064	6,866,134	(367,010)	6,499,124	(1,128,585)	(177,370)	95,788	(109,201)	48,076	11,444	-	5,239,276
NOTTOWAY	0.2696	1,673	19,697,984	(1,454,336)	18,243,648	474,629	(106,376)	57,449	-	239,563	57,933	-	18,966,846
ORANGE	0.4382	4,853	39,333,006	(2,299,919)	37,033,087	2,610,759	(470,743)	254,223	-	490,051	124,674	-	40,042,051
PAGE	0.3356	2,760	28,766,277	(1,937,966)	26,828,311	45,048	(214,505)	115,843	-	337,036	81,074	-	27,192,807
PATRICK	0.2475	2,196	25,615,918	(1,598,484)	24,017,434	(257,276)	(108,351)	58,515	-	309,916	64,256	-	24,084,494
PITTSYLVANIA	0.2642	7,279	81,108,151	(7,460,671)	73,647,480	1,188,950	(422,815)	228,340	-	963,939	250,695	-	75,856,588
POWHATAN	0.4704	4,025	27,110,514	(1,304,931)	25,805,583	3,517,535	(431,671)	233,123	-	370,791	92,707	-	29,588,068
PRINCE EDWARD	0.3776	1,609	18,306,997	(1,425,374)	16,881,623	(449,993)	(174,834)	94,418	-	187,661	48,269	-	16,587,143
PRINCE GEORGE	0.2321	5,991	56,839,785	(3,651,095)	53,188,690	8,335,944	(268,993)	145,269	-	786,071	216,219	-	62,403,199
PRINCE WILLIAM	0.3631	87,837	807,356,127	(41,448,611)	765,907,516	47,802,440	(6,482,304)	3,500,746	-	10,711,175	2,710,250	-	824,149,823
PULASKI	0.3303	4,172	36,186,496	(2,714,380)	33,472,116	7,090,988	(273,936)	147,939	-	504,639	123,515	-	41,065,261
RAPPAHANNOCK	0.8000	729	3,586,541	(156,734)	3,429,807	103,221	(82,330)	44,462	(65,789)	29,722	1,447	1,740,790	5,201,330
RICHMOND	0.3110	1,358	13,319,945	(828,626)	12,491,319	1,143,676	(70,380)	38,008	-	171,801	42,936	-	13,817,360
ROANOKE	0.3635	13,255	111,528,572	(5,922,740)	105,605,832	6,919,957	(1,000,488)	540,310	-	1,473,653	375,480	-	113,914,744
ROCKBRIDGE	0.4847	2,154	18,042,334	(982,791)	17,059,543	593,354	(279,306)	150,838	-	220,371	47,822	-	17,792,622
ROCKINGHAM	0.4349	11,113	96,896,875	(5,163,624)	91,733,251	(2,157,918)	(1,100,715)	594,437	-	1,106,204	284,327	-	90,459,586
RUSSELL	0.2265	3,109	36,899,448	(2,476,664)	34,422,784	1,296,435	(153,523)	82,910	-	480,454	102,032	-	36,231,091
SCOTT	0.1872	3,999	49,002,004	(2,837,067)	46,164,937	6,673,723	(105,216)	56,821	-	750,891	180,272	-	53,721,428
SHENANDOAH	0.4248	5,403	47,687,075	(2,738,727)	44,948,348	1,824,068	(544,978)	294,313	-	578,103	138,431	-	47,238,285
SMYTH	0.2225	3,516	42,873,501	(2,737,586)	40,135,915	1,620,517	(175,163)	94,596	-	538,514	120,398	-	42,334,777
SOUTHAMPTON	0.2987	2,298	25,019,515	(1,826,608)	23,192,907	299,679	(146,876)	79,320	-	298,884	70,033	-	23,793,947
SPOTSYLVANIA	0.3702	22,978	210,874,759	(13,648,651)	197,226,108	6,641,896	(1,856,876)	1,002,800	-	2,629,865	633,629	-	206,277,422
STAFFORD	0.3312	31,336	262,607,498	(15,310,444)	247,297,054	28,551,927	(2,034,291)	1,098,612	-	3,653,004	890,739	-	279,457,044
SURRY	0.8000	654	3,724,477	(197,028)	3,527,449	33,396	(115,943)	62,615	(56,818)	32,266	6,383	-	3,489,348
SUSSEX	0.3434	929	11,885,992	(936,254)	10,949,738	314,389	(72,838)	39,336	-	127,720	31,997	-	11,390,343
TAZEWELL	0.2461	4,980	55,989,796	(3,572,785)	52,417,011	2,282,117	(259,293)	140,030	-	697,263	164,100	-	55,441,229
WARREN	0.4517	4,963	40,255,931	(2,090,874)	38,165,057	1,550,230	(550,211)	297,140	-	487,924	117,335	-	40,067,475
WASHINGTON	0.3459	6,311	60,097,556	(3,558,039)	56,539,517	4,445,204	(473,650)	255,794	-	793,826	185,299	-	61,745,990
WESTMORELAND	0.5065	1,502	16,334,377	(1,086,183)	15,248,194	287,980	(173,491)	93,693	(3,888)	181,976	34,070	-	15,668,533
WISE	0.2020	5,367	58,938,412	(3,896,252)	55,042,160	3,586,826	(193,556)	104,529	-	769,406	195,700	-	59,505,065
WYTHE	0.3243	3,564	36,137,306	(2,333,220)	33,804,086	1,572,702	(248,809)	134,368	-	446,136	110,064	-	35,818,546
YORK	0.3554	13,026	99,010,025	(4,863,014)	94,147,011	20,112,611	(861,727)	465,373	-	1,478,607	365,780	-	115,707,655
ALEXANDRIA	0.8000	15,742	71,213,136	(3,039,964)	68,173,172	2,690,539	(2,733,546)	1,476,243	(1,842,712)	614,849	149,441	-	68,527,985
BRISTOL	0.2977	1,976	23,579,976	(1,395,382)	22,184,594	1,311,984	(137,323)	74,161	-	283,788	67,881	-	23,785,084
BUENA VISTA	0.1803	741	10,194,686	(610,510)	9,584,176	626,840	(32,102)	17,337	-	139,692	29,385	-	10,365,328
CHARLOTTESVILLE	0.7702	4,047	26,284,504	(1,484,781)	24,799,723	(2,348,987)	(805,416)	434,962	(374,376)	171,471	41,525	-	21,918,902
COLONIAL HEIGHTS	0.4026	2,859	24,223,612	(1,676,033)	22,547,579	2,130,690	(228,186)	123,231	-	308,281	83,798	-	24,965,393
COVINGTON	0.0000	-	-	-	-	-	-	-	-	-	-	-	-
DANVILLE	0.2411	5,202	64,108,204	(4,695,818)	59,412,386	5,809,557	(291,135)	157,227	-	762,891	206,942	-	66,057,869
FALLS CHURCH	0.8000	2,588	9,828,415	(322,153)	9,506,262	816,201	(408,007)	220,342	(41,734)	102,686	22,789	-	10,218,540
FREDERICKSBURG	0.6163	3,279	25,863,164	(2,240,000)	23,623,164	(1,767,732)	(444,750)	240,186	(34,237)	247,300	59,016	-	21,922,947
GALAX	0.2661	1,377	13,972,783	(958,405)	13,014,378	1,187,642	(55,351)	29,892	-	182,215	53,239	-	14,412,015
HAMPTON	0.2579	18,835	189,424,527	(12,384,309)	177,040,218	10,639,494	(965,172)	521,238	-	2,400,292	653,860	-	190,289,929
HARRISONBURG	0.3335	6,604	66,268,104	(5,450,476)	60,817,628	4,908,738	(427,902)	231,087	-	803,330	216,025	-	66,548,906
HOPEWELL	0.1870	3,539	41,690,986	(3,013,764)	38,677,222	2,616,621	(136,097)	73,498	-	520,311	140,279	-	41,891,834
LYNCHBURG	0.3872	7,074	74,128,263	(5,845,979)	68,282,284	1,279,509	(734,518)	396,674	-	804,869	193,339	-	70,222,157
MARTINSVILLE	0.2229	1,652	20,234,809	(2,141,434)	18,093,375	2,282,566	(86,614)	46,775	-	237,766	65,581	-	20,639,450
NEWPORT NEWS	0.2729	24,220	268,276,548	(20,927,950)	247,348,598	8,050,030	(1,452,883)	784,625	-	3,134,726	833,893	-	258,698,989
NORFOLK	0.3212	24,459	260,378,802	(18,094,541)	242,284,261	2,830,611	(1,802,772)	973,581	-	2,938,319	776,229	-	248,000,229
NORTON	0.2412	727	8,032,073	(523,173)	7,508,900	383,778	(30,126)	16,270	-	101,877	25,505	-	8,006,204
PETERSBURG	0.2075	4,196	50,503,929	(4,234,441)	46,269,488	6,245,461	(172,451)	93,132	-	611,531	178,200	-	53,225,361
PORTSMOUTH	0.2369	12,313	139,109,928	(10,673,927)	128,436,001	6,967,549	(659,472)	356,146	-	1,637,344	472,987	-	137,210,555
RADFORD	0.1658	3,059	33,506,749	(2,146,119)	31,360,630	1,059,984	(50,150)	27,083	-	461,997	119,739	-	32,979,283
RICHMOND CITY	0.5740	19,256	184,141,681	(14,190,169)	169,951,512	(5,924,611)	(2,640,770)	1,426,139	(627,725)	1,694,548	438,377	-	164,317,470
ROANOKE CITY	0.3388	12,819	139,667,703	(14,037,814)	125,629,889	16,230,253	(937,794)	506,453	-	1,602,133	430,333	-	143,461,267

Summary of Recommended Direct Aid - SB 30, As Introduced - FY 2026

School Division	Key Data Elements					Technical	Proposed Policy Changes					FY 2026 Estimated Distribution (SB 30)	
	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One- Time Spending	2024-26 Base Budget	Rebenchmarking & Technical	Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	2% Compensation Supplement	Reading Specialists Grades 4-8		Accomack Northampton & Rappahannock
STAUNTON	0.3767	2,512	23,645,503	(1,373,871)	22,271,632	2,607,891	(246,477)	133,110	-	274,802	66,608	-	25,107,565
SUFFOLK	0.3493	13,899	123,326,085	(8,100,642)	115,225,443	6,919,162	(1,091,901)	589,677	-	1,527,127	400,277	-	123,569,786
VIRGINIA BEACH	0.4138	62,376	494,773,904	(29,305,582)	465,468,322	13,100,885	(5,529,824)	2,986,363	-	6,031,031	1,561,673	-	483,618,449
WAYNESBORO	0.3633	2,818	26,571,870	(1,562,262)	25,009,608	1,505,882	(228,944)	123,640	-	337,033	76,654	-	26,823,873
WILLIAMSBURG	0.7426	1,139	7,090,944	(382,624)	6,708,320	755,741	(170,277)	91,957	(72,547)	54,970	13,702	-	7,381,866
WINCHESTER	0.4151	3,966	37,145,585	(2,413,454)	34,732,131	1,272,300	(332,745)	179,697	-	433,268	109,935	-	36,394,586
FAIRFAX CITY	0.8000	2,941	11,517,141	(373,159)	11,143,982	826,480	(497,708)	268,785	(166,936)	118,177	27,108	-	11,719,887
FRANKLIN CITY	0.2884	924	12,243,774	(802,528)	11,441,246	(211,166)	(71,815)	38,784	-	135,165	32,608	-	11,364,821
CHESAPEAKE CITY	0.3273	39,275	355,432,942	(20,448,820)	334,984,122	19,596,904	(2,731,875)	1,475,340	-	4,571,579	1,180,236	-	359,076,306
LEXINGTON	0.3987	660	5,172,170	(211,857)	4,960,313	82,842	(45,900)	24,788	-	68,514	19,046	-	5,109,603
EMPORIA	0.2340	815	9,479,918	(602,986)	8,876,932	875,296	(43,508)	23,496	-	121,449	28,633	-	9,882,298
SALEM	0.3632	4,163	29,112,009	(1,556,051)	27,555,958	7,794,881	(239,534)	129,359	-	462,228	125,820	-	35,828,712
BEDFORD CITY	0.0000	-	-	-	-	-	-	-	-	-	-	-	-
POQUOSON	0.3466	1,996	15,921,806	(979,814)	14,941,992	1,573,605	(147,362)	79,583	-	219,514	54,081	-	16,721,413
MANASSAS CITY	0.3371	7,122	76,182,764	(4,325,042)	71,857,722	2,716,434	(486,374)	262,664	-	954,112	243,045	-	75,547,603
MANASSAS PARK	0.2716	3,113	36,946,160	(2,636,673)	34,309,487	3,715,711	(162,675)	87,852	-	479,846	116,844	-	38,547,065
COLONIAL BEACH	0.3675	562	5,852,893	(384,115)	5,468,778	728,308	(36,976)	19,968	-	80,773	19,029	-	6,279,880
WEST POINT	0.2489	821	7,459,802	(471,133)	6,988,669	893,718	(32,109)	17,340	-	106,797	26,833	-	8,001,248
TOTAL:		1,209,773	\$ 10,004,450,688	\$(597,491,254)	\$ 9,406,959,434	\$ 493,846,408	\$(114,475,092)	\$ 61,821,891	\$ (11,657,672)	\$ 122,851,949	\$ 30,713,413	\$ 2,540,790	\$ 9,992,601,121

HB 30/SB 30

APPENDIX C

Direct Aid to Public Education
Rebenchmarking Detail
2024-25 Summary

Detail Funding for Rebenchmarking Updates - FY 2025

School Division	Key Data Elements					Rebenchmarking Updates Only - See Appendix A for Total Estimated Distributions									FY 2025 Estimated Rebenchmarking Costs (SB 30) See Appendix A for Total Estimated Distributions
	2024-26 Comp. Index	FY 2025 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Student Enrollment & Characteristic Data	Special Education	Prevailing Costs	Apply Federal Revenue Deduct	Transportation	Update LCI	Update Sales Tax & School Age Population	Update VPSA		
ACCOMACK	0.3487	4,582	47,692,090	(4,929,630)	42,762,460	1,710,413	265,761	2,806,657	(1,375,650)	(249,187)	(414,188)	(142,606)	0	2,601,200	
ALBEMARLE	0.6904	13,302	78,409,945	(4,091,622)	74,318,323	(960,842)	591,722	4,220,158	(1,991,181)	(249,534)	(7,059,653)	(840,303)	0	(6,289,633)	
ALLEGHANY	0.2737	2,583	30,598,442	(1,661,614)	28,936,828	(299,210)	110,055	1,837,017	(668,501)	287,683	586,717	(98,742)	(52,000)	1,703,019	
AMELIA	0.3758	1,458	15,340,324	(921,847)	14,418,477	(1,394,808)	(168,030)	1,010,478	(264,830)	181,790	(198,000)	(94,611)	0	(928,011)	
AMHERST	0.3015	3,713	39,165,330	(2,717,821)	36,447,509	1,566,174	354,676	2,169,463	(1,056,552)	(194,406)	154,665	(167,806)	0	2,826,214	
APPOMATTOX	0.2822	2,262	22,757,277	(1,585,361)	21,171,916	(419,065)	38,637	1,694,039	(769,579)	366,891	373,334	(19,174)	0	1,265,084	
ARLINGTON	0.8000	26,675	109,171,860	(3,746,046)	105,425,814	(141,260)	414,956	5,036,267	(1,625,055)	(27,827)	8,151	(915,153)	0	2,750,080	
AUGUSTA	0.3888	9,691	85,270,886	(4,279,555)	80,991,331	1,195,274	630,650	4,923,583	(1,598,361)	1,509,561	(1,502,717)	(411,325)	0	4,746,664	
BATH	0.8000	468	2,478,194	(179,435)	2,298,759	64,618	61,241	86,434	(19,686)	7,855	0	(49,961)	0	150,501	
BEDFORD	0.3132	8,665	80,021,209	(4,878,943)	75,142,266	(141,862)	309,505	5,108,832	(2,794,776)	1,384,742	9,037	(461,986)	0	3,413,492	
BLAND	0.3046	749	7,797,419	(425,666)	7,371,753	(934,224)	(119,809)	579,853	(263,117)	390,833	503,851	(16,810)	0	140,577	
BOTETOURT	0.4068	4,312	34,774,265	(1,597,172)	33,177,093	(180,804)	360,486	2,148,220	(230,113)	846,392	114,414	(241,313)	0	2,817,281	
BRUNSWICK	0.4379	1,311	16,820,100	(1,075,761)	15,744,339	(398,777)	(139,627)	749,461	(349,117)	953,064	(144,380)	(92,315)	0	578,309	
BUCHANAN	0.2557	2,168	25,787,024	(1,802,032)	23,984,992	(1,999,927)	289,422	1,935,148	(797,785)	657,232	911,612	(93,081)	0	902,620	
BUCKINGHAM	0.3379	1,753	20,089,259	(1,731,606)	18,357,653	(1,102,454)	370,739	1,301,136	(588,785)	255,675	(256,216)	(77,424)	0	(97,328)	
CAMPBELL	0.2877	7,482	71,152,553	(4,300,101)	66,852,452	335,446	345,095	4,676,732	(2,223,073)	514,757	297,855	(192,590)	0	3,754,222	
CAROLINE	0.3501	4,344	38,041,410	(2,582,809)	35,458,601	1,061,982	161,275	2,545,045	(615,330)	108,934	534,695	(69,937)	0	3,726,665	
CARROLL	0.2804	3,200	35,514,418	(2,405,577)	33,108,841	(432,781)	227,790	2,172,340	(1,054,181)	297,838	(414,268)	(128,879)	0	667,858	
CHARLES CITY	0.6669	465	4,492,161	(236,130)	4,256,031	(137,700)	113,238	248,229	(92,573)	128,177	(631,515)	(73,855)	0	(445,999)	
CHARLOTTE	0.2470	1,592	17,347,790	(1,405,434)	15,942,356	835,964	287,837	1,003,795	(500,714)	73,306	153,027	(50,904)	0	1,802,312	
CHESTERFIELD	0.3563	62,809	534,600,305	(30,170,131)	504,430,174	(9,670,704)	627,462	35,598,741	(8,716,346)	(1,040,757)	(1,111,284)	(586,499)	26,000	15,126,613	
CLARKE	0.6032	1,871	12,116,195	(551,101)	11,565,094	(384,333)	149,941	746,256	(135,004)	130,863	(607,871)	(118,168)	0	(218,317)	
CRAIG	0.3629	439	5,235,239	(434,046)	4,801,193	361,016	(105,834)	222,483	(125,023)	(26,680)	(148,690)	(31,839)	0	145,433	
CULPEPER	0.3617	8,140	71,370,206	(4,280,350)	67,089,856	2,618,035	868,686	4,969,249	(1,932,137)	535,755	(207,465)	(186,353)	0	6,665,770	
CUMBERLAND	0.3323	1,098	16,603,041	(1,240,985)	15,362,056	(2,177,224)	193,473	1,079,466	(453,157)	142,231	(468,149)	(22,939)	0	(1,706,300)	
DICKENSON	0.2157	1,751	21,696,734	(1,631,340)	20,065,394	4,987	167,861	1,224,798	(587,842)	(494,357)	322,995	(42,292)	(26,000)	570,149	
DINWIDDIE	0.2978	4,060	43,099,558	(2,814,878)	40,284,680	(635,676)	339,736	2,822,008	(837,224)	(389,407)	(330,351)	(80,216)	0	888,870	
ESSEX	0.4189	1,068	10,825,662	(732,671)	10,092,991	(448,971)	(153,459)	549,729	(280,216)	(368,521)	695,109	(73,894)	0	(80,223)	
FAIRFAX	0.6579	172,353	1,006,832,068	(43,752,001)	963,080,067	4,114,858	5,437,521	51,851,452	(19,253,296)	3,332,296	(9,344,834)	(10,564,293)	0	25,573,703	
FAUQUIER	0.6006	10,540	68,722,777	(4,215,905)	64,506,872	(319,058)	1,002,518	4,035,911	(770,808)	1,470,597	(2,198,842)	(659,452)	(26,000)	2,534,866	
FLOYD	0.4056	1,582	15,908,972	(963,531)	14,945,441	(595,710)	8,566	880,148	(459,891)	13,693	(977,744)	(115,252)	0	(1,246,190)	
FLUVANNA	0.3934	3,201	30,096,829	(1,596,066)	28,500,763	(1,707,434)	60,813	1,727,818	(617,762)	515,410	331,507	(138,646)	0	171,706	
FRANKLIN	0.4596	5,792	52,727,443	(4,678,782)	48,048,661	429,417	(58,358)	2,984,760	(1,230,378)	505,738	(3,864,062)	(452,464)	0	(1,685,347)	
FREDERICK	0.4151	14,139	111,158,313	(6,055,184)	105,103,129	3,980,327	979,863	7,031,112	(1,087,192)	1,520,369	(143,226)	(526,882)	0	11,754,371	
GILES	0.2117	3,470	35,404,658	(2,608,917)	32,795,741	(1,323,539)	265,938	1,178,905	(179,438)	(422,787)	2,412,908	(68,340)	0	1,863,647	
GLOUCESTER	0.3999	4,774	39,739,780	(3,005,130)	36,734,650	(335,343)	880,386	2,722,250	(971,427)	1,210,404	(125,434)	(144,252)	0	3,236,583	
GOOCHLAND	0.8000	2,461	10,693,421	(337,108)	10,356,313	(188,152)	(14,545)	443,071	(217,106)	192,219	775	(189,944)	0	26,317	
GRAYSON	0.3196	1,504	16,251,411	(974,742)	15,276,669	(283,988)	301,556	1,069,798	(457,406)	244,025	688,583	(62,355)	0	1,500,213	
GREENE	0.3411	2,702	24,388,722	(1,314,047)	23,074,675	1,365,068	31,497	1,432,686	(262,569)	453,527	290,901	(130,536)	0	3,180,575	
GREENSVILLE	0.3898	1,054	10,736,992	(794,110)	9,942,882	(336,682)	77,863	658,940	(307,684)	(23,668)	243,184	(70,293)	(26,000)	215,660	
HALIFAX	0.3012	4,083	48,117,096	(4,994,227)	43,122,869	(342,471)	1,180,858	2,972,121	(1,344,992)	(380,469)	146,653	(160,618)	0	2,071,081	
HANOVER	0.4894	16,242	117,412,079	(5,333,189)	112,078,890	(3,288,563)	114,943	7,028,752	(2,089,968)	312,602	(2,547,894)	(840,176)	0	(1,310,304)	
HENRICO	0.4273	49,010	393,480,235	(23,891,592)	369,588,643	4,628,786	(309,756)	25,005,029	420,019	7,470,347	1,401,671	(2,034,667)	52,000	36,633,428	
HENRY	0.2247	6,584	76,264,087	(5,404,965)	70,859,122	1,555,941	(655,484)	4,868,054	(1,846,588)	(206,480)	(531,635)	(237,439)	0	2,946,369	
HIGHLAND	0.8000	199	2,591,860	(198,051)	2,393,809	(138,036)	8,645	219,742	(31,899)	49,273	(64,343)	(8,030)	0	35,352	
ISLE OF WIGHT	0.3704	5,367	45,556,451	(2,572,352)	42,984,099	(893,498)	358,593	2,992,658	(1,315,327)	378,382	1,067,306	(53,652)	0	2,534,463	
JAMES CITY	0.5403	10,107	67,704,025	(3,515,046)	64,188,979	(1,204,440)	1,120,199	4,367,091	(1,534,550)	(306,910)	(771,036)	(500,460)	0	1,169,894	
KING GEORGE	0.3633	4,379	35,592,145	(2,356,927)	33,235,218	105,669	1,059,927	2,284,952	(506,493)	(447,402)	790,147	(60,113)	0	3,226,687	
KING QUEEN	0.3998	769	8,472,045	(520,219)	7,951,826	(593,165)	139,885	510,076	(214,054)	(52,584)	87,084	(22,626)	0	(145,384)	
KING WILLIAM	0.3146	2,056	19,670,357	(1,196,005)	18,474,352	629,337	(155,681)	1,107,454	(330,522)	159,527	(185,954)	(70,958)	0	1,153,203	
LANCASTER	0.8000	930	4,825,014	(232,049)	4,592,965	79,710	(11,234)	204,429	(90,771)	(47,976)	(1)	(95,766)	(26,000)	12,391	
LEE	0.1712	2,723	34,289,237	(2,281,147)	32,008,090	3,632,164	(119,633)	2,308,367	(1,011,136)	526,895	10,851	(64,365)	0	5,283,143	
LOUDOUN	0.5518	81,475	521,695,987	(22,511,941)	499,184,046	2,791,239	3,655,998	29,877,959	(2,733,812)	(113,908)	(5,922,095)	(3,544,529)	0	24,010,852	
LOUISA	0.5041	4,971	35,226,716	(1,801,052)	33,425,664	288,571	(158,921)	2,208,572	(586,126)	140,161	1,234,950	(88,855)	0	3,038,352	
LUNENBURG	0.2614	1,483	16,583,330	(1,617,206)	14,966,124	1,099,551	629,821	1,203,907	(503,910)	425,135	(18,770)	(16,049)	0	2,819,685	

Detail Funding for Rebenchmarking Updates - FY 2025

School Division	Key Data Elements					Rebenchmarking Updates Only - See Appendix A for Total Estimated Distributions									FY 2025 Estimated Rebenchmarking Costs (SB 30) See Appendix A for Total Estimated Distributions
	2024-26 Comp. Index	FY 2025 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Student Enrollment & Characteristic Data	Special Education	Prevailing Costs	Apply Federal Revenue Deduct	Transportation	Update LCI	Update Sales Tax & School Age Population	Update VPSA		
MADISON	0.4746	1,600	12,773,982	(895,201)	11,878,781	12,255	15,756	727,478	(369,794)	184,439	(206,656)	(90,764)	0	272,714	
MATHEWS	0.5904	761	6,845,585	(351,464)	6,494,121	52,114	24,692	342,272	(145,115)	40,517	(527,098)	(85,155)	0	(297,773)	
MECKLENBURG	0.3893	3,641	33,229,579	(2,642,414)	30,587,165	255,321	216,397	2,308,991	(1,034,912)	28,249	725,565	(135,192)	0	2,364,420	
MIDDLESEX	0.6389	1,132	8,568,001	(513,462)	8,054,539	(535,581)	(34,662)	403,067	(198,578)	130,086	(107,176)	(31,770)	0	(374,614)	
MONTGOMERY	0.4041	9,267	75,448,979	(3,987,202)	71,461,777	(215,559)	465,536	4,517,650	(933,973)	756,314	1,756,421	(533,634)	0	5,812,756	
NELSON	0.6645	1,380	9,610,597	(576,882)	9,033,715	568,816	101,220	474,268	(236,693)	105,132	(1,174,351)	(116,462)	0	(278,070)	
NEW KENT	0.4391	3,522	25,662,959	(1,194,963)	24,467,996	(580,067)	(55,074)	2,047,771	(158,940)	985,860	(556,400)	(66,771)	0	1,616,379	
NORTHAMPTON	0.5253	1,251	13,492,885	(1,354,068)	12,138,817	(263,530)	(12,006)	1,540,826	(322,556)	274,156	(865,800)	(73,892)	0	(553,801)	
NORTHUMBERLAND	0.7672	1,078	6,866,134	(367,010)	6,499,124	(193,812)	(85,821)	317,647	(187,037)	91,960	(964,738)	(107,647)	0	(1,129,448)	
NOTTOWAY	0.2696	1,692	19,697,984	(1,454,336)	18,243,648	383,947	(308,835)	1,063,715	(547,755)	106,890	(76,642)	(44,428)	0	576,891	
ORANGE	0.4382	4,825	39,333,006	(2,299,919)	37,033,087	954,709	34,189	2,589,331	(744,261)	923,489	(1,455,936)	(51,120)	0	2,250,401	
PAGE	0.3356	2,816	28,766,277	(1,937,966)	26,828,311	151,748	(33,059)	1,540,234	(870,193)	358,190	(635,774)	(105,034)	0	406,112	
PATRICK	0.2475	2,235	25,615,918	(1,598,484)	24,017,434	(1,077,133)	73,841	1,639,327	(803,476)	222,975	105,046	(64,279)	0	96,301	
PITTSYLVANIA	0.2642	7,365	81,108,151	(7,460,671)	73,647,480	(639,194)	(310,366)	5,177,579	(1,617,215)	765,534	(1,116,723)	(284,084)	0	1,975,531	
POWHATAN	0.4704	4,058	27,110,514	(1,304,931)	25,805,583	412,785	64,131	1,488,457	(258,143)	87,082	1,864,946	(55,376)	0	3,603,882	
PRINCE EDWARD	0.3776	1,655	18,306,997	(1,425,374)	16,881,623	(633,293)	598,621	1,069,595	(507,968)	(251,419)	(280,858)	(105,070)	0	(110,392)	
PRINCE GEORGE	0.2321	5,979	56,839,785	(3,651,095)	53,188,690	3,875,481	511,683	3,784,998	(1,042,003)	593,428	545,513	(161,876)	0	8,107,224	
PRINCE WILLIAM	0.3631	87,881	807,356,127	(41,448,611)	765,907,516	(10,012,402)	3,986,877	50,036,202	(8,869,714)	296,446	11,922,967	(1,789,895)	26,000	45,596,481	
PULASKI	0.3303	4,172	36,186,496	(2,714,380)	33,472,116	5,241,563	512,769	2,076,968	(322,127)	(771,479)	282,572	(109,964)	0	6,914,303	
RAPPAHANNOCK	0.8000	728	3,586,541	(156,734)	3,429,807	182,591	(3,792)	(72,929)	(2,818)	1,695	0	(68,483)	0	36,264	
RICHMOND	0.3110	1,339	13,319,945	(828,626)	12,491,319	398,534	91,656	915,108	(430,286)	66,276	(94,268)	(14,798)	0	932,222	
ROANOKE	0.3635	13,289	111,528,572	(5,922,740)	105,605,832	545,144	921,660	7,220,073	(2,226,278)	686,362	126,440	(555,107)	0	6,718,294	
ROCKBRIDGE	0.4847	2,178	18,042,334	(982,791)	17,059,543	883,939	10,184	857,894	(433,293)	264,653	(769,714)	(122,432)	0	691,231	
ROCKINGHAM	0.4349	11,071	96,896,875	(5,163,624)	91,733,251	1,793,516	546,577	6,155,164	(2,760,332)	(214,610)	(8,052,885)	(528,767)	0	(3,061,337)	
RUSSELL	0.2265	3,135	36,899,448	(2,476,664)	34,422,784	836,988	(392,042)	1,785,096	(1,040,334)	(94,553)	249,920	(84,854)	0	1,260,221	
SCOTT	0.1872	3,999	49,002,004	(2,837,067)	46,164,937	2,852,898	925,862	4,208,659	(1,524,842)	928,011	132,258	(79,178)	0	7,443,667	
SHENANDOAH	0.4248	5,425	47,687,075	(2,738,727)	44,948,348	1,116,238	224,471	2,667,471	(1,067,703)	1,494,091	(2,407,289)	(216,438)	0	1,810,841	
SMYTH	0.2225	3,598	42,873,501	(2,737,586)	40,135,915	536,649	334,624	2,640,147	(1,284,752)	596,150	(185,485)	(141,546)	0	2,495,787	
SOUTHAMPTON	0.2987	2,335	25,019,515	(1,826,608)	23,192,907	135,206	297,420	1,317,385	(597,231)	(462,143)	(59,779)	(47,273)	0	583,585	
SPOTSYLVANIA	0.3702	23,180	210,874,759	(13,648,651)	197,226,108	(6,335,330)	3,804,954	14,161,656	(3,941,816)	791,595	(1,081,291)	(445,445)	0	6,954,322	
STAFFORD	0.3312	31,153	262,607,498	(15,310,444)	247,297,054	(2,032,963)	4,930,838	19,357,254	(2,892,696)	3,504,632	3,469,388	(464,493)	0	25,871,960	
SURRY	0.8000	653	3,724,477	(197,028)	3,527,449	(89,983)	(29,755)	167,595	(61,591)	84,973	(1)	(77,955)	0	(6,716)	
SUSSEX	0.3434	936	11,885,992	(936,254)	10,949,738	(60,304)	(181,834)	702,855	(322,080)	168,633	63,848	(46,637)	0	324,481	
TAZEWELL	0.2461	5,036	55,989,796	(3,572,785)	52,417,011	(1,230,957)	57,173	3,532,802	(771,321)	620,505	655,595	(124,010)	0	2,739,787	
WARREN	0.4517	4,964	40,255,931	(2,090,874)	38,165,057	199,495	(263,414)	2,422,761	(730,806)	597,120	(694,215)	(206,445)	0	1,324,496	
WASHINGTON	0.3459	6,361	60,097,556	(3,558,039)	56,539,517	278,145	912,911	3,796,317	(1,129,288)	1,373,583	(380,455)	(284,885)	0	4,566,328	
WESTMORELAND	0.5065	1,492	16,334,377	(1,086,183)	15,248,194	(454,145)	12,828	824,443	(363,035)	980,844	(755,767)	(125,175)	0	119,993	
WISE	0.2020	5,393	58,938,412	(3,896,252)	55,042,160	(1,051,423)	124,488	4,193,936	(1,886,693)	272,167	2,099,816	(134,381)	0	3,617,910	
WYTHE	0.3243	3,608	36,137,306	(2,333,220)	33,804,086	(1,328,776)	323,971	2,400,918	(12,117)	480,121	158,347	(121,602)	0	1,900,862	
YORK	0.3554	12,966	99,010,025	(4,863,014)	94,147,011	3,673,872	107,107	6,804,709	(1,355,323)	8,306,554	2,150,791	(381,056)	0	19,306,655	
ALEXANDRIA	0.8000	15,650	71,213,136	(3,039,964)	68,173,172	362,869	136,797	3,447,089	(1,410,037)	247,192	4,685	(1,265,926)	0	1,522,669	
BRISTOL	0.2977	2,006	23,579,976	(1,395,382)	22,184,594	466,505	(174,513)	1,468,015	(662,512)	678,514	222,187	(121,715)	0	1,876,480	
BUENA VISTA	0.1803	763	10,194,686	(610,510)	9,584,176	31,912	225,413	731,630	(296,716)	60,145	154,478	(9,577)	0	897,285	
CHARLOTTESVILLE	0.7702	4,086	26,284,504	(1,484,781)	24,799,723	(548,167)	208,246	1,460,471	(188,065)	528,026	(3,813,626)	(202,672)	0	(2,555,787)	
COLONIAL HEIGHTS	0.4026	2,824	24,223,612	(1,676,033)	22,547,579	322,376	(198,753)	1,547,368	(667,874)	362,510	434,073	(22,804)	0	1,776,896	
COVINGTON	0.0000	-	0	0	0	0	0	0	0	0	0	0	0	0	
DANVILLE	0.2411	5,252	64,108,204	(4,695,818)	59,412,386	1,820,953	201,292	4,674,394	(1,984,779)	714,126	821,889	(159,076)	0	6,088,799	
FALLS CHURCH	0.8000	2,554	9,828,415	(322,153)	9,506,262	402,514	85,929	352,788	(16,514)	(55,369)	0	(173,031)	0	596,316	
FREDERICKSBURG	0.6163	3,311	25,863,164	(2,240,000)	23,623,164	(1,953,380)	493,598	1,671,593	(896,512)	769,197	(1,703,939)	(203,076)	0	(1,822,519)	
GALAX	0.2661	1,357	13,972,783	(958,405)	13,014,378	186,547	129,633	1,076,912	(472,168)	162,858	(68,916)	(49,826)	0	965,040	
HAMPTON	0.2579	18,814	189,424,527	(12,384,309)	177,040,218	(1,984,021)	1,081,626	13,305,174	(6,208,912)	1,078,471	3,301,058	(388,019)	0	10,185,378	
HARRISONBURG	0.3335	6,505	66,268,104	(5,450,476)	60,817,628	745,748	180,900	4,575,998	(1,909,408)	(735,147)	1,028,473	(72,538)	0	3,814,025	
HOPEWELL	0.1870	3,574	41,690,986	(3,013,764)	38,677,222	1,211,454	(162,174)	2,588,419	(1,341,969)	49,950	662,483	(88,101)	0	2,920,062	
LYNCHBURG	0.3872	7,161	74,128,263	(5,845,979)	68,282,284	46,274	819,258	4,392,516	(2,093,148)	(127,962)	(967,025)	(449,983)	0	1,619,931	
MARTINSVILLE	0.2229	1,664	20,234,809	(2,141,434)	18,093,375	954,391	436,617	1,418,203	(631,669)	247,652	(10,983)	(62,529)	0	2,351,682	

Detail Funding for Rebenchmarking Updates - FY 2025

School Division	Key Data Elements					Rebenchmarking Updates Only - See Appendix A for Total Estimated Distributions									FY 2025 Estimated Rebenchmarking Costs (SB 30) See Appendix A for Total Estimated Distributions
	2024-26 Comp. Index	FY 2025 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Student Enrollment & Characteristic Data	Special Education	Prevailing Costs	Apply Federal Revenue Deduct	Transportation	Update LCI	Update Sales Tax & School Age Population	Update VPSA		
NEWPORT NEWS	0.2729	24,468	268,276,548	(20,927,950)	247,348,598	(3,637,850)	2,728,902	16,782,089	(8,139,845)	(156,006)	2,390,305	(611,056)	0	9,356,539	
NORFOLK	0.3212	24,762	260,378,802	(18,094,541)	242,284,261	815,894	507,854	16,329,130	(7,922,490)	(671,221)	(4,210,059)	(745,665)	(26,000)	4,077,443	
NORTON	0.2412	742	8,032,073	(523,173)	7,508,900	77,487	95,519	463,340	(335,323)	10,402	220,521	(28,573)	0	503,373	
PETERSBURG	0.2075	4,099	50,503,929	(4,234,441)	46,269,488	1,510,090	79,119	3,892,414	(1,558,116)	(745,044)	1,839,823	(17,784)	0	5,000,502	
PORTSMOUTH	0.2369	12,408	139,109,928	(10,673,927)	128,436,001	463,483	(56,766)	9,153,032	(2,078,056)	(87,040)	677,734	(261,374)	0	7,811,014	
RADFORD	0.1658	3,059	33,506,749	(2,146,119)	31,360,630	(5,152,527)	393,912	3,067,442	(904,733)	(6,305)	3,337,945	(41,255)	26,000	720,478	
RICHMOND CITY	0.5740	19,537	184,141,681	(14,190,169)	169,951,512	3,227,131	(2,307,957)	11,006,824	(4,828,270)	5,809,622	(16,597,031)	(1,424,578)	0	(5,114,259)	
ROANOKE CITY	0.3388	12,813	139,667,703	(14,037,814)	125,629,889	6,821,245	1,406,436	9,701,202	(4,172,392)	1,914,679	(10,350)	(417,244)	0	15,243,576	
STAUNTON	0.3767	2,510	23,645,503	(1,373,871)	22,271,632	419,261	7,818	1,635,520	(669,057)	481,455	594,996	(40,260)	0	2,429,733	
SUFFOLK	0.3493	13,897	123,326,085	(8,100,642)	115,225,443	(2,833,536)	377,505	8,900,159	(2,112,065)	1,922,776	335,935	(243,921)	0	6,346,854	
VIRGINIA BEACH	0.4138	62,658	494,773,904	(29,305,582)	465,468,322	2,658,924	1,998,203	30,207,065	(14,200,933)	195,069	(4,972,396)	(2,858,716)	0	13,027,216	
WAYNESBORO	0.3633	2,821	26,571,870	(1,562,262)	25,009,608	(40,784)	286,563	1,795,513	(776,288)	(235,455)	177,059	(111,670)	0	1,094,938	
WILLIAMSBURG	0.7426	1,104	7,090,944	(382,624)	6,708,320	573,255	73,608	250,839	(91,626)	(15,621)	(237,725)	(14,647)	0	538,083	
WINCHESTER	0.4151	3,964	37,145,585	(2,413,454)	34,732,131	(1,006,215)	118,688	2,581,054	(911,635)	295,666	115,249	(92,710)	0	1,100,097	
FAIRFAX CITY	0.8000	2,918	11,517,141	(373,159)	11,143,982	302,935	49,694	497,791	(180,037)	32,891	843	(89,713)	0	614,404	
FRANKLIN CITY	0.2884	927	12,243,774	(802,528)	11,441,246	(656,422)	(63,163)	869,302	(354,859)	81,890	(35,310)	(36,409)	0	(194,970)	
CHESAPEAKE CITY	0.3273	39,452	355,432,942	(20,448,820)	334,984,122	(5,018,718)	2,000,904	23,222,501	(6,385,693)	1,519,064	5,787,817	(1,223,085)	0	19,902,790	
LEXINGTON	0.3987	654	5,172,170	(211,857)	4,960,313	(112,874)	(38,903)	364,410	(114,217)	(2,076)	(31,546)	(23,450)	0	41,344	
EMPORIA	0.2340	820	9,479,918	(602,986)	8,876,932	371,576	74,578	673,502	(287,088)	(2,137)	49,383	(14,885)	0	864,929	
SALEM	0.3632	4,163	29,112,009	(1,556,051)	27,555,958	5,870,276	165,179	1,748,985	(780,184)	588,032	315,801	(177,136)	0	7,730,954	
BEDFORD CITY	0.0000	-	0	0	0	0	0	0	0	0	0	0	0	0	
POQUOSON	0.3466	2,007	15,921,806	(979,814)	14,941,992	(764)	344,559	985,055	(163,669)	170,163	356,251	(62,373)	0	1,629,222	
MANASSAS CITY	0.3371	7,201	76,182,764	(4,325,042)	71,857,722	(2,015,142)	(618,134)	4,974,978	(1,706,783)	733,807	1,932,415	(123,559)	0	3,177,582	
MANASSAS PARK	0.2716	3,161	36,946,160	(2,636,673)	34,309,487	1,095,438	390,722	2,229,276	(414,624)	834,395	79,317	(94,746)	0	4,119,778	
COLONIAL BEACH	0.3675	566	5,852,893	(384,115)	5,468,778	924,452	(101,726)	318,553	(136,149)	(9,562)	(217,858)	(29,250)	0	748,461	
WEST POINT	0.2489	816	7,459,802	(471,133)	6,988,669	445,193	5,852	408,756	(107,056)	57,372	55,458	(19,874)	0	845,701	
TOTAL:		1,212,152	\$ 10,004,450,688	\$ (597,491,254)	\$ 9,406,959,434	\$ 6,819,134	\$ 52,329,874	\$ 619,785,623	\$ (193,597,553)	\$ 64,722,806	\$ (30,939,087)	\$ (46,654,168)	\$ (52,000)	\$ 472,414,629	

*More detailed rebenchmarking updates are available at sfac.virginia.gov

HB 30/SB 30

APPENDIX D

Direct Aid to Public Education
Rebenchmarking Detail
2025-26 Summary

Detail Funding for Rebenchmarking Updates - FY 2026

School Division	Key Data Elements					Rebenchmarking Updates Only - See Appendix A for Total Estimated Distributions									FY 2026 Estimated Distribution (SB 30) See Appendix A for Total Estimated Distributions
	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Student Enrollment & Characteristic Data	Special Education	Prevailing Costs	Apply Federal Revenue Deduct	Transportation	Update LCI	Update Sales Tax & School Age Population	Update VPSA		
ACCOMACK	0.3487	4,581	47,692,090	(4,929,630)	42,762,460	1,817,667	259,919	2,705,908	(1,362,927)	(284,084)	(410,175)	(58,204)	0	2,668,104	
ALBEMARLE	0.6904	13,244	78,409,945	(4,091,622)	74,318,323	(1,101,678)	542,423	4,229,234	(2,011,598)	(282,962)	(7,116,073)	(250,949)	0	(5,991,603)	
ALLEGHANY	0.2737	2,544	30,598,442	(1,661,614)	28,936,828	(1,378,414)	107,507	1,876,703	(662,378)	353,816	583,929	(58,049)	(52,000)	771,114	
AMELIA	0.3758	1,427	15,340,324	(921,847)	14,418,477	(1,715,297)	(168,502)	1,066,665	(266,222)	208,446	(200,169)	(58,305)	0	(1,133,384)	
AMHERST	0.3015	3,686	39,165,330	(2,717,821)	36,447,509	1,443,513	349,516	2,066,184	(1,048,834)	(237,736)	153,595	(98,865)	0	2,627,374	
APPOMATTOX	0.2822	2,259	22,757,277	(1,585,361)	21,171,916	(503,668)	37,465	1,783,871	(782,427)	385,755	380,185	17,925	0	1,319,106	
ARLINGTON	0.8000	26,783	109,171,860	(3,746,046)	105,425,814	190,095	424,569	5,126,822	(1,641,145)	(33,722)	7,984	298,287	0	4,372,890	
AUGUSTA	0.3888	9,680	85,270,886	(4,279,555)	80,991,331	1,126,842	632,124	4,972,944	(1,595,733)	1,532,159	(1,508,800)	(188,131)	0	4,971,404	
BATH	0.8000	460	2,478,194	(179,435)	2,298,759	34,620	60,910	86,884	(19,605)	8,516	0	(29,607)	0	141,718	
BEDFORD	0.3132	8,622	80,021,209	(4,878,943)	75,142,266	(611,304)	303,981	5,203,110	(2,793,210)	1,425,108	8,780	(275,334)	0	3,261,131	
BLAND	0.3046	734	7,797,419	(425,666)	7,371,753	(1,212,746)	(129,907)	698,698	(278,714)	442,810	538,177	(6,024)	0	52,294	
BOTETOURT	0.4068	4,293	34,774,265	(1,597,172)	33,177,093	(305,986)	353,011	2,160,613	(230,378)	850,012	114,466	(138,030)	0	2,803,708	
BRUNSWICK	0.4379	1,287	16,820,100	(1,075,761)	15,744,339	(582,130)	(137,923)	722,042	(342,682)	951,573	(141,676)	(52,250)	0	416,954	
BUCHANAN	0.2557	2,126	25,787,024	(1,802,032)	23,984,992	(2,679,486)	288,623	2,080,359	(805,874)	709,889	921,283	(59,773)	0	455,021	
BUCKINGHAM	0.3379	1,705	20,089,259	(1,731,606)	18,357,653	(1,562,362)	378,665	1,352,786	(597,225)	262,305	(260,311)	(38,458)	0	(464,600)	
CAMPBELL	0.2877	7,487	71,152,553	(4,300,101)	66,852,452	329,875	344,866	4,696,810	(2,221,607)	514,418	297,685	(70,430)	0	3,891,617	
CAROLINE	0.3501	4,445	38,041,410	(2,582,809)	35,458,601	1,911,897	154,712	2,632,784	(622,647)	122,146	541,902	23,040	0	4,763,834	
CARROLL	0.2804	3,158	35,514,418	(2,405,577)	33,108,841	(811,560)	223,227	2,121,816	(1,045,098)	305,736	(410,727)	(73,747)	0	309,647	
CHARLES CITY	0.6669	455	4,492,161	(236,130)	4,256,031	(203,337)	113,393	257,145	(92,483)	132,899	(633,636)	(50,097)	0	(476,115)	
CHARLOTTE	0.2470	1,580	17,347,790	(1,405,434)	15,942,356	746,826	281,725	945,196	(490,072)	85,125	149,654	(29,116)	0	1,689,338	
CHESTERFIELD	0.3563	62,926	534,600,305	(30,170,131)	504,430,174	(10,096,596)	684,176	37,603,548	(8,889,823)	(928,788)	(1,143,205)	641,527	26,000	17,896,839	
CLARKE	0.6032	1,890	12,116,195	(551,101)	11,565,094	(277,669)	149,369	751,800	(135,234)	131,916	(610,757)	(48,791)	0	(39,367)	
CRAIG	0.3629	425	5,235,239	(434,046)	4,801,193	(263,306)	(102,256)	190,586	(119,832)	(22,896)	(142,546)	(19,528)	0	46,833	
CULPEPER	0.3617	8,145	71,370,206	(4,280,350)	67,089,856	2,964,145	876,161	4,969,487	(1,948,773)	494,379	(210,635)	(10,238)	0	7,134,526	
CUMBERLAND	0.3323	1,062	16,603,041	(1,240,985)	15,362,056	(2,620,795)	195,045	1,124,248	(458,881)	155,193	(473,607)	1,546	0	(2,077,252)	
DICKENSON	0.2157	1,714	21,696,734	(1,631,340)	20,065,394	(359,368)	168,868	1,211,078	(586,476)	(497,952)	322,185	(20,076)	(26,000)	212,258	
DINWIDDIE	0.2978	4,022	43,099,558	(2,814,878)	40,284,680	(1,056,943)	304,555	2,962,263	(847,330)	(354,696)	(334,742)	(13,135)	0	695,972	
ESSEX	0.4189	1,037	10,825,662	(732,671)	10,092,991	(691,333)	(152,540)	535,070	(277,299)	(366,061)	687,233	(44,120)	0	(309,050)	
FAIRFAX	0.6579	172,560	1,006,832,068	(43,752,001)	963,080,067	4,983,001	5,400,258	52,766,145	(19,278,914)	3,409,465	(9,393,532)	(4,104,337)	0	33,782,085	
FAUQUIER	0.6006	10,523	68,722,777	(4,215,905)	64,506,872	(866,789)	1,036,982	4,459,025	(788,990)	1,571,745	(2,274,585)	(273,599)	(26,000)	2,837,790	
FLOYD	0.4056	1,550	15,908,972	(869,531)	14,945,441	(869,401)	6,301	888,518	(456,031)	33,948	(969,017)	(71,159)	0	(1,436,840)	
FLUVANNA	0.3934	3,196	30,096,829	(1,596,066)	28,500,763	(1,982,928)	63,958	1,855,145	(628,151)	543,962	338,286	(59,604)	0	130,668	
FRANKLIN	0.4596	5,731	52,727,443	(4,678,782)	48,048,661	113,995	(53,708)	2,868,408	(1,210,653)	501,343	(3,794,258)	(279,722)	0	(1,854,594)	
FREDERICK	0.4151	14,302	111,158,313	(6,055,184)	105,103,129	5,104,991	994,264	7,316,706	(1,103,174)	1,551,339	(146,253)	(193,267)	0	13,524,606	
GILES	0.2117	3,476	35,404,658	(2,608,917)	32,795,741	(934,870)	258,812	962,801	(174,525)	(468,588)	2,342,267	(42,276)	0	1,943,621	
GLOUCESTER	0.3999	4,749	39,739,780	(3,005,130)	36,734,650	(632,022)	881,532	2,822,941	(976,138)	1,253,699	(126,294)	(27,196)	0	3,196,522	
GOOCHLAND	0.8000	2,452	10,693,421	(337,108)	10,356,313	(218,387)	(14,115)	453,872	(218,654)	194,655	758	(54,808)	0	143,321	
GRAYSON	0.3196	1,507	16,251,411	(974,742)	15,276,669	(287,413)	306,272	1,103,752	(463,056)	248,189	698,451	(32,828)	0	1,573,366	
GREENE	0.3411	2,685	24,388,722	(1,314,047)	23,074,675	1,318,028	29,406	1,390,999	(260,307)	447,802	288,080	(70,562)	0	3,143,447	
GREENSVILLE	0.3898	1,032	10,736,992	(794,110)	9,942,882	(469,908)	77,955	617,373	(305,053)	(41,632)	241,168	(46,191)	(26,000)	47,711	
HALIFAX	0.3012	4,028	48,117,096	(4,994,227)	43,122,869	(852,436)	1,168,085	2,950,247	(1,333,727)	(334,259)	145,267	(85,248)	0	1,657,928	
HANOVER	0.4894	16,137	117,412,079	(5,333,189)	112,078,890	(4,068,390)	115,379	7,210,103	(2,097,907)	385,512	(2,563,884)	(382,237)	0	(1,401,424)	
HENRICO	0.4273	49,025	393,480,235	(23,891,592)	369,588,643	5,725,567	(310,053)	25,083,592	420,419	7,507,483	1,405,381	(859,408)	52,000	39,024,981	
HENRY	0.2247	6,552	76,264,087	(5,404,965)	70,859,122	1,287,689	(651,597)	4,784,702	(1,835,627)	(211,088)	(528,951)	(157,085)	0	2,688,044	
HIGHLAND	0.8000	196	2,591,860	(198,051)	2,393,809	(198,076)	8,880	236,456	(33,153)	51,827	(67,242)	(3,589)	0	7,102	
ISLE OF WIGHT	0.3704	5,321	45,556,451	(2,572,352)	42,984,099	(1,334,445)	367,400	3,084,970	(1,331,090)	372,998	1,084,487	69,292	0	2,313,613	
JAMES CITY	0.5403	10,089	67,704,025	(3,515,046)	64,188,979	(1,553,519)	1,147,195	4,597,280	(1,552,654)	(178,760)	(785,689)	(180,539)	0	1,493,314	
KING GEORGE	0.3633	4,396	35,592,145	(2,356,927)	33,235,218	104,600	1,077,912	2,408,974	(515,083)	(432,098)	804,886	35,904	0	3,485,095	
KING QUEEN	0.3998	758	8,472,045	(520,219)	7,951,826	(651,731)	138,884	486,873	(212,533)	(59,594)	86,608	(5,607)	0	(217,099)	
KING WILLIAM	0.3146	2,071	19,670,357	(1,196,005)	18,474,352	326,981	(159,707)	1,149,023	(332,957)	168,266	(187,395)	(34,815)	0	929,396	
LANCASTER	0.8000	921	4,825,014	(232,049)	4,592,965	30,973	(11,162)	218,977	(91,788)	(41,225)	(1)	(48,891)	(26,000)	30,883	
LEE	0.1712	2,700	34,289,237	(2,281,147)	32,008,090	3,445,786	(117,375)	2,184,926	(992,072)	512,037	10,534	(36,999)	0	5,006,837	
LOUDOUN	0.5518	81,459	521,695,987	(22,511,941)	499,184,046	3,184,018	3,699,393	30,468,093	(2,766,261)	(230,522)	(6,013,731)	(1,091,958)	0	27,249,032	
LOUISA	0.5041	4,989	35,226,716	(1,801,052)	33,425,664	278,095	(161,940)	2,353,213	(597,263)	158,406	1,263,633	59,649	0	3,353,792	

Detail Funding for Rebenchmarking Updates - FY 2026

School Division	Key Data Elements					Rebenchmarking Updates Only - See Appendix A for Total Estimated Distributions									FY 2026 Estimated Distribution (SB 30) See Appendix A for Total Estimated Distributions
	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Student Enrollment & Characteristic Data	Special Education	Prevailing Costs	Apply Federal Revenue Deduct	Transportation	Update LCI	Update Sales Tax & School Age Population	Update VPSA		
LUNENBURG	0.2614	1,476	16,583,330	(1,617,206)	14,966,124	1,119,701	627,722	1,155,508	(501,390)	396,883	(18,719)	7,231	0	2,786,936	
MADISON	0.4746	1,596	12,773,982	(895,201)	11,878,781	(37,848)	16,671	743,212	(370,693)	189,486	(207,329)	(39,818)	0	293,682	
MATHEWS	0.5904	729	6,845,585	(351,464)	6,494,121	(160,221)	24,910	347,927	(144,129)	49,685	(523,359)	(56,073)	0	(461,260)	
MECKLENBURG	0.3893	3,613	33,229,579	(2,642,414)	30,587,165	63,138	216,297	2,257,856	(1,023,774)	33,025	716,922	(56,408)	0	2,207,056	
MIDDLESEX	0.6389	1,121	8,568,001	(513,462)	8,054,539	(682,193)	(35,876)	465,567	(205,548)	146,892	(110,267)	6,701	0	(414,723)	
MONTGOMERY	0.4041	9,216	75,448,979	(3,987,202)	71,461,777	(505,599)	462,920	4,563,535	(939,906)	749,451	1,768,381	(294,842)	0	5,803,940	
NELSON	0.6645	1,344	9,610,597	(576,882)	9,033,715	364,751	98,407	442,596	(227,570)	115,197	(1,115,092)	(54,987)	0	(376,698)	
NEW KENT	0.4391	3,598	25,662,959	(1,194,963)	24,467,996	(249,648)	(54,481)	2,206,197	(161,394)	1,019,213	(574,341)	13,725	0	2,199,270	
NORTHAMPTON	0.5253	1,237	13,492,885	(1,354,068)	12,138,817	(372,152)	(11,980)	730,534	(321,835)	307,635	(864,115)	(31,406)	0	(563,319)	
NORTHUMBERLAND	0.7672	1,064	6,866,134	(367,010)	6,499,124	(246,857)	(85,354)	321,466	(187,636)	98,119	(968,604)	(59,719)	0	(1,128,585)	
NOTTOWAY	0.2696	1,673	19,697,984	(1,454,336)	18,243,648	313,225	(301,978)	1,002,070	(537,242)	89,583	(75,346)	(15,683)	0	474,629	
ORANGE	0.4382	4,853	39,333,006	(2,299,919)	37,033,087	1,113,644	34,586	2,673,477	(752,921)	940,381	(1,474,492)	76,084	0	2,610,759	
PAGE	0.3356	2,760	28,766,277	(1,937,966)	26,828,311	(143,620)	(30,381)	1,427,435	(854,141)	316,425	(623,598)	(47,073)	0	45,048	
PATRICK	0.2475	2,196	25,615,918	(1,598,484)	24,017,434	(1,482,728)	75,260	1,640,438	(798,078)	238,660	104,172	(35,000)	0	(257,276)	
PITTSYLVANIA	0.2642	7,279	81,108,151	(7,460,671)	73,647,480	(1,595,386)	(308,381)	5,168,229	(1,606,826)	810,335	(1,109,189)	(169,832)	0	1,188,950	
POWHATAN	0.4704	4,025	27,110,514	(1,304,931)	25,805,583	222,904	64,123	1,481,298	(258,106)	81,003	1,865,043	61,269	0	3,517,535	
PRINCE EDWARD	0.3776	1,609	18,306,997	(1,425,374)	16,881,623	(946,906)	587,722	1,009,471	(497,505)	(269,535)	(275,415)	(57,826)	0	(449,993)	
PRINCE GEORGE	0.2321	5,991	56,839,785	(3,651,095)	53,188,690	4,034,629	511,134	3,773,392	(1,040,887)	602,127	544,741	(89,191)	0	8,335,944	
PRINCE WILLIAM	0.3631	87,837	807,356,127	(41,448,611)	765,907,516	(11,375,686)	4,041,906	51,771,178	(8,992,233)	240,164	12,129,371	(38,261)	26,000	47,802,440	
PULASKI	0.3303	4,172	36,186,496	(2,714,380)	33,472,116	5,317,731	511,627	2,086,436	(321,406)	(753,550)	282,092	(31,942)	0	7,090,988	
RAPPAHANNOCK	0.8000	729	3,586,541	(156,734)	3,429,807	187,675	(3,680)	(75,837)	(2,734)	1,508	0	(3,712)	0	103,221	
RICHMOND	0.3110	1,358	13,319,945	(828,626)	12,491,319	545,453	95,151	947,934	(433,279)	79,058	(94,859)	4,219	0	1,143,676	
ROANOKE	0.3635	13,255	111,528,572	(5,922,740)	105,605,832	257,237	918,634	9,727,138	(2,240,357)	734,978	127,085	(284,758)	0	6,919,957	
ROCKBRIDGE	0.4847	2,154	18,042,334	(982,791)	17,059,543	830,266	6,514	742,605	(420,358)	225,704	(744,417)	(46,961)	0	593,354	
ROCKINGHAM	0.4349	11,113	96,896,875	(5,163,624)	91,733,251	2,429,612	548,795	6,193,695	(2,762,373)	(222,771)	(8,113,542)	(231,334)	0	(2,157,918)	
RUSSELL	0.2265	3,109	36,899,448	(2,476,664)	34,422,784	883,845	(389,069)	1,739,195	(1,032,227)	(109,789)	247,849	(43,369)	0	1,296,435	
SCOTT	0.1872	3,999	49,002,000	(2,837,067)	46,164,937	1,103,110	973,615	5,023,175	(1,623,134)	1,107,830	139,876	(50,748)	0	6,673,723	
SHENANDOAH	0.4248	5,403	47,687,075	(2,738,727)	44,948,348	1,077,594	218,616	2,556,798	(1,051,568)	1,469,455	(2,377,652)	(69,175)	0	1,824,068	
SMYTH	0.2225	3,516	42,873,501	(2,737,586)	40,135,915	(219,554)	328,239	2,490,444	(1,258,862)	556,023	(181,557)	(94,216)	0	1,620,517	
SOUTHAMPTON	0.2987	2,298	25,019,515	(1,826,608)	23,192,907	(134,077)	293,927	1,269,304	(590,226)	(472,533)	(59,131)	(7,585)	0	299,679	
SPOTSYLVANIA	0.3702	22,978	210,874,759	(13,648,651)	197,226,108	(8,436,619)	3,885,127	15,268,605	(4,025,539)	1,006,385	(1,112,379)	56,317	0	6,641,896	
STAFFORD	0.3312	31,336	262,607,498	(15,310,444)	247,297,054	(1,692,044)	5,066,307	20,748,191	(2,949,931)	3,712,994	3,581,200	85,209	0	28,551,927	
SURRY	0.8000	654	3,724,477	(197,028)	3,527,449	(111,968)	(31,240)	193,333	(64,089)	93,987	(1)	(46,625)	0	33,396	
SUSSEX	0.3434	929	11,885,992	(936,254)	10,949,738	(93,482)	(182,648)	708,105	(323,498)	168,572	64,294	(26,954)	0	314,389	
TAZEWELL	0.2461	4,980	55,989,796	(3,572,785)	52,417,011	(1,796,295)	53,266	3,561,632	(770,783)	632,988	655,252	(53,942)	0	2,282,117	
WARREN	0.4517	4,963	40,255,931	(2,090,874)	38,165,057	291,034	(263,616)	2,412,249	(731,376)	594,614	(694,905)	(57,769)	0	1,550,230	
WASHINGTON	0.3459	6,311	60,097,556	(3,558,039)	56,539,517	20,182	914,383	3,789,702	(1,125,886)	1,383,231	(379,511)	(156,897)	0	4,445,204	
WESTMORELAND	0.5065	1,502	16,334,377	(1,086,183)	15,248,194	(407,456)	14,701	860,814	(367,315)	1,030,525	(764,994)	(78,295)	0	287,980	
WISE	0.2020	5,367	58,938,412	(3,896,252)	55,042,160	(1,433,978)	129,771	4,421,556	(1,902,446)	336,373	2,117,627	(82,077)	0	3,586,826	
WYTHE	0.3243	3,564	36,137,306	(2,333,220)	33,804,086	(1,878,023)	331,188	2,506,017	(12,190)	521,058	159,021	(54,369)	0	1,572,702	
YORK	0.3554	13,026	99,010,225	(4,863,014)	94,147,011	3,800,728	108,844	7,098,627	(1,377,287)	8,441,164	2,188,735	(148,200)	0	20,112,611	
ALEXANDRIA	0.8000	15,742	71,213,136	(3,039,964)	68,173,172	832,525	140,969	3,425,812	(1,416,974)	230,914	4,567	(527,274)	0	2,690,539	
BRISTOL	0.2977	1,976	23,579,976	(1,395,382)	22,184,594	(133,746)	(173,833)	1,464,990	(660,753)	678,366	221,569	(84,610)	0	1,311,984	
BUENA VISTA	0.1803	741	10,194,686	(610,510)	9,584,176	(280,026)	224,276	756,358	(295,228)	68,697	153,665	(902)	0	626,840	
CHARLOTTESVILLE	0.7702	4,047	26,284,504	(1,484,781)	24,799,723	(584,173)	215,791	1,562,220	(192,450)	558,105	(3,923,446)	14,966	0	(2,348,987)	
COLONIAL HEIGHTS	0.4026	2,859	24,223,612	(1,676,033)	22,547,579	618,866	(197,347)	1,545,946	(669,130)	357,824	435,676	38,855	0	2,130,690	
COVINGTON	0.0000	-	0	0	0	0	0	0	0	0	0	0	0	0	
DANVILLE	0.2411	5,202	64,108,204	(4,695,818)	59,412,386	1,280,145	203,714	4,844,790	(2,008,708)	737,689	832,334	(80,406)	0	5,809,557	
FALLS CHURCH	0.8000	2,588	9,828,415	(322,153)	9,506,262	511,860	87,100	354,018	(16,552)	(57,443)	0	(62,782)	0	816,201	
FREDERICKSBURG	0.6163	3,279	25,863,164	(2,240,000)	23,623,164	(2,112,262)	510,194	1,790,730	(920,706)	804,484	(1,757,277)	(82,895)	0	(1,767,732)	
GALAX	0.2661	1,377	13,972,783	(958,405)	13,014,378	328,392	134,509	1,137,803	(482,326)	174,738	(70,607)	(34,867)	0	1,187,642	
HAMPTON	0.2579	18,835	189,424,527	(12,384,309)	177,040,218	(1,980,740)	1,073,156	13,530,616	(6,249,333)	1,069,986	3,323,022	(127,213)	0	10,639,494	
HARRISONBURG	0.3335	6,604	66,268,104	(5,450,476)	60,817,628	1,666,747	179,872	4,688,975	(1,938,898)	(778,572)	1,047,526	43,088	0	4,908,738	
HOPEWELL	0.1870	3,539	41,690,986	(3,013,764)	38,677,222	1,032,668	(159,665)	2,434,497	(1,321,258)	29,508	652,194	(51,324)	0	2,616,621	

Detail Funding for Rebenchmarking Updates - FY 2026

School Division	Key Data Elements					Rebenchmarking Updates Only - See Appendix A for Total Estimated Distributions									FY 2026 Estimated Distribution (SB 30) See Appendix A for Total Estimated Distributions
	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2024 Approp. (Ch. 1)	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Student Enrollment & Characteristic Data	Special Education	Prevailing Costs	Apply Federal Revenue Deduct	Transportation	Update LCI	Update Sales Tax & School Age Population	Update VPSA		
LYNCHBURG	0.3872	7,074	74,128,263	(5,845,979)	68,282,284	(475,437)	814,975	4,362,681	(2,082,115)	(127,305)	(961,787)	(251,503)	0	1,279,509	
MARTINSVILLE	0.2229	1,652	20,234,809	(2,141,434)	18,093,375	928,084	428,225	1,366,324	(621,357)	231,273	(10,859)	(39,123)	0	2,282,566	
NEWPORT NEWS	0.2729	24,220	268,276,548	(20,927,950)	247,348,598	(4,977,430)	2,715,769	16,484,506	(8,100,422)	(236,253)	2,382,322	(218,461)	0	8,050,030	
NORFOLK	0.3212	24,459	260,378,802	(18,094,541)	242,284,261	(592,227)	518,420	15,854,806	(7,822,473)	(682,256)	(4,161,138)	(258,521)	(26,000)	2,830,611	
NORTON	0.2412	727	8,032,073	(523,173)	7,508,900	(14,711)	94,189	430,581	(332,566)	7,889	218,829	(20,434)	0	383,778	
PETERSBURG	0.2075	4,196	50,503,929	(4,234,441)	46,269,488	2,594,261	79,754	3,978,271	(1,570,610)	(723,582)	1,858,552	28,815	0	6,245,461	
PORTSMOUTH	0.2369	12,313	139,109,928	(10,673,927)	128,436,001	(351,619)	(45,562)	8,946,773	(2,063,390)	(108,031)	672,550	(83,172)	0	6,967,549	
RADFORD	0.1658	3,059	33,506,749	(2,146,119)	31,360,630	(5,874,946)	423,274	3,838,280	(957,331)	60,041	3,572,369	(27,703)	26,000	1,059,984	
RICHMOND CITY	0.5740	19,256	184,141,681	(14,190,169)	169,951,512	1,568,632	(2,328,703)	11,298,431	(4,871,720)	5,898,208	(16,778,464)	(710,994)	0	(5,924,611)	
ROANOKE CITY	0.3388	12,819	139,667,703	(14,037,814)	125,629,889	7,586,681	1,409,904	9,693,089	(4,182,701)	1,898,579	(11,462)	(163,837)	0	16,230,253	
STAUNTON	0.3767	2,512	23,645,503	(1,373,871)	22,271,632	529,354	6,299	1,640,126	(671,352)	478,110	599,013	26,341	0	2,607,891	
SUFFOLK	0.3493	13,899	123,326,085	(8,100,642)	115,225,443	(3,052,031)	383,040	9,327,585	(2,143,024)	2,011,613	340,849	51,129	0	6,919,162	
VIRGINIA BEACH	0.4138	62,376	494,773,904	(29,305,582)	465,468,322	1,371,109	1,994,702	30,049,534	(14,137,095)	155,781	(4,968,687)	(1,364,459)	0	13,100,885	
WAYNESBORO	0.3633	2,818	26,571,870	(1,562,262)	25,009,608	216,368	289,399	1,872,472	(784,138)	(217,751)	179,337	(49,806)	0	1,505,882	
WILLIAMSBURG	0.7426	1,139	7,090,944	(382,624)	6,708,320	711,891	76,844	287,201	(94,970)	(8,122)	(248,469)	31,366	0	755,741	
WINCHESTER	0.4151	3,966	37,145,585	(2,413,454)	34,732,131	(1,000,262)	125,441	2,657,004	(923,375)	299,473	116,817	(2,798)	0	1,272,300	
FAIRFAX CITY	0.8000	2,941	11,517,141	(373,159)	11,143,982	378,891	50,075	496,192	(178,756)	34,487	814	44,777	0	826,480	
FRANKLIN CITY	0.2884	924	12,243,774	(802,528)	11,441,246	(736,836)	(65,370)	923,577	(362,155)	82,676	(36,055)	(17,003)	0	(211,166)	
CHESAPEAKE CITY	0.3273	39,275	355,432,942	(20,448,820)	334,984,122	(7,139,803)	2,058,461	24,166,734	(6,478,312)	1,598,173	5,876,534	(484,883)	0	19,596,904	
LEXINGTON	0.3987	660	5,172,170	(211,857)	4,960,313	(96,571)	(39,583)	381,096	(116,232)	(2,536)	(32,286)	(11,046)	0	82,842	
EMPORIA	0.2340	815	9,479,918	(602,986)	8,876,932	363,117	72,713	696,190	(282,675)	(19,640)	48,718	(3,127)	0	875,296	
SALEM	0.3632	4,163	29,112,009	(1,556,051)	27,555,958	5,945,276	165,623	1,685,814	(771,483)	570,028	312,033	(112,409)	0	7,794,881	
BEDFORD CITY	0.0000	-	0	0	0	0	0	0	0	0	0	0	0	0	
POQUOSON	0.3466	1,996	15,921,806	(979,814)	14,941,992	(83,054)	342,670	974,855	(163,383)	169,866	355,204	(22,554)	0	1,573,605	
MANASSAS CITY	0.3371	7,122	76,182,764	(4,325,042)	71,857,722	(2,683,631)	(621,511)	5,037,561	(1,716,091)	743,275	1,948,964	7,867	0	2,716,434	
MANASSAS PARK	0.2716	3,113	36,946,160	(2,636,673)	34,309,487	817,093	382,637	2,093,062	(406,019)	801,952	77,775	(50,790)	0	3,715,711	
COLONIAL BEACH	0.3675	562	5,852,893	(384,115)	5,468,778	905,720	(97,189)	277,931	(130,129)	0	(208,768)	(19,257)	0	728,308	
WEST POINT	0.2489	821	7,459,802	(471,133)	6,988,669	502,152	6,368	391,922	(106,084)	55,678	54,880	(11,199)	0	893,718	
TOTAL:		\$ 1,209,773	\$ 10,004,450,688	\$ (597,491,254)	\$ 9,406,959,434	\$ (17,452,032)	\$ 52,820,172	\$ 632,738,225	\$ (194,360,801)	\$ 66,516,669	\$ (30,685,370)	\$ (15,678,455)	\$ (52,000)	\$ 493,846,408	

*More detailed rebenchmarking updates are available at sfac.virginia.gov

HB 30/SB 30

APPENDIX E

Summary of Detailed Actions
in Budget

Appendix E: Summary of Detailed Budget Actions in HB/SB 30

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Administration				
Administration of Health Insurance				
Adjust State Health Benefits program appropriation	\$0	\$0	\$180,000,000	\$255,000,000
Administration of Health Insurance - Total Proposed Budget Changes	\$0	\$0	\$180,000,000	\$255,000,000
Compensation Board				
Provide funding to annualize the cost of behavioral health and medical treatment positions	\$1,269,332	\$1,269,332	\$0	\$0
Adjust salaries of elected constitutional officers based on increases in locality population	\$159,889	\$159,889	\$0	\$0
Fund a jail-based substance use disorder treatment program	\$0	\$0	\$500,000	\$0
Recognize savings from vacant positions in sheriffs' and constitutional officers' offices	\$0	(\$9,400,000)	\$0	\$0
Recognize savings from eliminating an online foreclosure listing pilot program	(\$75,000)	(\$75,000)	\$0	\$0
Recognize savings from closure of Bristol City Jail	(\$1,472,297)	(\$1,472,297)	\$0	\$0
Recognize savings from closure of Hampton Roads Regional Jail	(\$14,258,355)	(\$14,258,355)	\$0	\$0
Reduce appropriation for per diem paid for housing state-responsible offenders in jails	(\$15,000,000)	(\$15,000,000)	\$0	\$0
Compensation Board - Total Proposed Budget Changes	(\$29,376,431)	(\$38,776,431)	\$500,000	\$0
Department of Elections				
Add position for list maintenance	\$148,991	\$161,397	\$0	\$0
Align positions to agree with agency organization	\$0	\$0	\$0	\$0
Department of Elections - Total Proposed Budget Changes	\$148,991	\$161,397	\$0	\$0
Department of General Services				
Improve capital asset management capacity	\$500,000	\$0	\$0	\$0
Adjust appropriation to address changes in state agency rent costs	\$0	\$0	(\$1,163,017)	(\$7,145,522)
Eliminate appropriation for inactive fund	\$0	\$0	(\$20,000)	(\$20,000)
Reduce operational rate to lease fleet vehicles under the Statewide Vehicle Management Services program	\$0	\$0	(\$420,000)	(\$420,000)
Reduce rate charged to agencies for the administration of single-agency leases at the Division of Real Estate Services (DRES)	\$0	\$0	(\$700,000)	(\$700,000)
Supplant Division of Purchases and Supply (DPS) general fund positions with nongeneral funds	(\$2,000,000)	(\$2,000,000)	\$2,000,000	\$2,000,000

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Department of General Services - Total Proposed Budget Changes	(\$1,500,000)	(\$2,000,000)	(\$303,017)	(\$6,285,522)
Department of Human Resource Management				
Provide funding to purchase performance management software	\$281,829	\$160,000	\$0	\$0
Reallocate positions to the correct service areas	\$0	\$0	\$0	\$0
Increase nongeneral fund appropriation for Cardinal Human Capital Management expenses	\$0	\$0	\$2,143,873	\$2,143,873
Adjust nongeneral fund appropriation for the Commonwealth of Virginia Campaign	\$0	\$0	(\$150,000)	(\$150,000)
Capture savings from implementing PageUp Recruitment Management System fee	(\$245,970)	\$0	\$0	\$0
Department of Human Resource Management - Total Proposed Budget Changes	\$35,859	\$160,000	\$1,993,873	\$1,993,873
Secretary of Administration				
Add position to support the Division of Executive Administrative Services	\$174,750	\$174,750	\$0	\$0
Secretary of Administration - Total Proposed Budget Changes	\$174,750	\$174,750	\$0	\$0
Virginia Information Technologies Agency				
Adjust appropriation to account for vacancy savings	\$0	\$0	(\$2,220,638)	(\$2,220,638)
Recognize savings from business platform solutions contractor conversions	\$0	\$0	(\$23,077)	(\$23,077)
Recognize savings from customer experience contractor conversions	\$0	\$0	(\$34,615)	(\$34,615)
Recognize savings from finance contractor conversions	\$0	\$0	(\$34,615)	(\$34,615)
Recognize savings from enterprise solution contractor conversions	\$0	\$0	(\$230,769)	(\$230,769)
Adjust appropriation for internal service fund updates	\$0	\$0	(\$41,134,274)	(\$45,407,613)
Virginia Information Technologies Agency - Total Proposed Budget Changes	\$0	\$0	(\$43,677,988)	(\$47,951,327)
Administration - Total Proposed Budget Changes	(\$30,516,831)	(\$40,280,284)	\$138,512,868	\$202,757,024
Agriculture and Forestry				
Department of Agriculture and Consumer Services				
Increase funding for the Governor's Agriculture and Forestry Industries Development Fund	\$2,000,000	\$0	\$0	\$0
Fund agricultural technology research projects	\$2,000,000	\$0	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Make deposit to the Virginia Spirits Promotion Fund	\$1,151,899	\$1,151,899	\$0	\$0
Support inspected slaughter and meat processing facilities in the Commonwealth	\$266,130	\$266,130	\$266,130	\$266,130
Realize savings from health spa fund	\$0	\$0	\$0	\$0
Increase support for commodity services inspectors	\$0	\$0	\$1,457,770	\$1,457,770
Realize one-time nongeneral fund savings	\$0	\$0	\$0	\$0
Adjust authorized position level	\$0	\$0	\$0	\$0
Decrease deposit to the Virginia Wine Promotion Fund	(\$144,314)	(\$144,314)	\$0	\$0
Remove funding for international trade plan	(\$250,000)	(\$250,000)	\$0	\$0
Reduce appropriation for farmland preservation	(\$437,500)	(\$437,500)	\$0	\$0
Department of Agriculture and Consumer Services - Total Proposed Budget Changes	\$4,586,215	\$586,215	\$1,723,900	\$1,723,900
Department of Forestry				
Remove derelict fire towers	\$760,000	\$600,000	\$0	\$0
Fund technical assistance to perform carbon life cycle assessment	\$100,000	\$0	\$0	\$0
Transfer positions between service areas	\$0	\$0	\$0	\$0
Adjust nongeneral fund appropriation to reduce annual budget execution adjustments for cash balances	\$0	\$0	\$2,000,000	\$2,000,000
Transfer nongeneral fund appropriation between service areas	\$0	\$0	\$0	\$0
Reduce Commonwealth support for external organizations	(\$50,000)	(\$50,000)	\$0	\$0
Reduce funding for the expansion of broadband upgrades	(\$275,000)	(\$275,000)	\$0	\$0
Department of Forestry - Total Proposed Budget Changes	\$535,000	\$275,000	\$2,000,000	\$2,000,000
Virginia Racing Commission				
Increase appropriation for the Virginia Breeders Fund	\$0	\$0	\$1,900,000	\$2,200,000
Virginia Racing Commission - Total Proposed Budget Changes	\$0	\$0	\$1,900,000	\$2,200,000
Agriculture and Forestry - Total Proposed Budget Changes	\$5,121,215	\$861,215	\$5,623,900	\$5,923,900
Central Appropriations				
Central Appropriations				
Provide funding to improve state agency information technology infrastructure	\$150,000,000	\$0	\$0	\$0
Provide bonus payments to state employees and state-supported local employees	\$54,203,385	\$54,753,992	\$0	\$0
Adjust funding for agency health insurance premium costs	\$39,621,717	\$66,667,915	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Provide funding to support American Revolution 250 Commission operations	\$20,000,000	\$0	\$0	\$0
Provide funding for workforce recruitment program	\$15,000,000	\$0	\$0	\$0
Adjust funding for changes in agency information technology costs	\$5,083,300	\$771,994	\$0	\$0
Adjust appropriation for higher education credit card rebates and interest earnings	\$3,236,002	\$3,236,002	\$8,631,806	\$8,631,806
Adjust funding for state agency rent costs	\$2,070,600	(\$815,878)	\$0	\$0
Adjust funding for Line of Duty Act premiums	\$1,745,613	\$1,745,613	\$0	\$0
Provide funding to support increase in minimum wage	\$1,015,507	\$3,336,858	\$0	\$0
Provide funding to aid in potential sports teams relocations	\$500,000	\$0	\$0	\$0
Provide one percent salary increase for state and state-supported local employees	\$0	\$59,634,774	\$0	\$0
Reduce appropriation for the Tobacco Region Revitalization Commission	\$0	\$0	(\$30,000,000)	(\$30,000,000)
Adjust Virginia Tobacco Settlement Fund appropriation to reflect anticipated revenue	\$0	\$0	\$660,738	\$660,738
Adjust funding for changes in Performance Budgeting System charges	(\$117,792)	\$135,054	\$0	\$0
Recognize savings from reduced fleet vehicle operational rates	(\$180,062)	(\$180,062)	\$0	\$0
Recognize savings from single agency lease rate reduction	(\$217,089)	(\$217,089)	\$0	\$0
Adjust funding to agencies for changes in Division of Risk Management premiums	(\$375,189)	(\$356,395)	\$0	\$0
Adjust funding for state workers' compensation premiums	(\$1,477,941)	(\$1,729,635)	\$0	\$0
Adjust funding for other post-employment benefit programs	(\$2,720,859)	(\$2,839,154)	\$0	\$0
Adjust funding for changes in Cardinal Human Capital Management internal service fund charges	(\$3,451,862)	(\$1,037,146)	\$0	\$0
Adjust funding for changes in Cardinal Financials System charges	(\$3,810,635)	(\$1,992,046)	\$0	\$0
Adjust funding for state employee retirement costs	(\$8,299,411)	(\$6,938,318)	\$0	\$0
Transfer funding for workforce development training programs	(\$17,000,000)	(\$17,000,000)	\$0	\$0

Central Appropriations - Total Proposed Budget Changes	\$254,825,284	\$157,176,479	(\$20,707,456)	(\$20,707,456)
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Central Appropriations - Total Proposed Budget Changes	\$254,825,284	\$157,176,479	(\$20,707,456)	(\$20,707,456)
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Commerce and Trade

Department of Energy

Increase resources in the Virginia Power Innovation Fund	\$6,000,000	\$0	\$0	\$0
Provide support for key positions	\$250,000	\$250,000	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Adjust position levels within agency	\$0	\$0	\$0	\$0
Increase federal appropriation to support the Abandoned Mine Land Economic Revitalization Program	\$0	\$0	\$13,000,000	\$13,000,000
Increase indirect cost recovery appropriation	\$0	\$0	\$743,956	\$743,956
Transfer general fund appropriation between programs	\$0	\$0	\$0	\$0
Department of Energy - Total Proposed Budget Changes	\$6,250,000	\$250,000	\$13,743,956	\$13,743,956
Department of Housing and Community Development				
Establish an early learning capital incentive program	\$25,000,000	\$0	\$0	\$0
Continue investment in the Industrial Revitalization Fund	\$4,000,000	\$0	\$0	\$0
Increase funding for the Center for Rural Virginia	\$350,000	\$350,000	\$0	\$0
Continue Community Development Financial Institutions Fund administrative support	\$150,000	\$150,000	\$0	\$0
Remove obsolete language	\$0	\$0	\$0	\$0
Realize one-time savings through unobligated balances in the Go Virginia Program	\$0	\$0	\$0	\$0
Adjust the agency's maximum employment level	\$0	\$0	\$0	\$0
Reduce supplemental funding for the Lenowisco Planning District Commission and Cumberland Plateau Planning District Commission	(\$250,000)	(\$250,000)	\$0	\$0
Transfer funding for housing young adults to Department of Social Services	(\$564,000)	(\$564,000)	\$0	\$0
Reduce funding for the Enterprise Zone Grant Act	(\$1,500,000)	(\$1,500,000)	\$0	\$0
Eliminate pass-through funding for Virginia's Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Industry Cluster	(\$18,000,000)	(\$18,000,000)	\$0	\$0
Reduce funding for the Virginia Telecommunication Initiative	(\$29,725,000)	(\$49,725,000)	\$0	\$0
Department of Housing and Community Development - Total Proposed Budget Changes	(\$20,539,000)	(\$69,539,000)	\$0	\$0
Department of Small Business and Supplier Diversity				
Allow the Small Business Financing Authority to absorb Executive Director compensation expenses	(\$170,591)	(\$170,591)	\$170,591	\$170,591
Rightsize funding for Business One Stop	(\$417,000)	(\$417,000)	\$0	\$0
Department of Small Business and Supplier Diversity - Total Proposed Budget Changes	(\$587,591)	(\$587,591)	\$170,591	\$170,591
Economic Development Incentive Payments				
Develop inland port	\$10,000,000	\$0	\$0	\$0
Increase the Virginia Investment Performance Grant	\$290,000	\$826,500	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Adjust appropriation levels for custom grants	(\$2,989,849)	(\$13,157,619)	\$0	\$0
Economic Development Incentive Payments - Total Proposed Budget Changes	\$7,300,151	(\$12,331,119)	\$0	\$0
Fort Monroe Authority				
Address cost of public works contract	\$318,981	\$359,982	\$0	\$0
Address critical tree maintenance	\$93,654	\$0	\$0	\$0
Fort Monroe Authority - Total Proposed Budget Changes	\$412,635	\$359,982	\$0	\$0
Virginia Economic Development Partnership				
Launch innovative framework for economic growth	\$2,000,000	\$2,250,000	\$0	\$0
Increase capacity for the Virginia Office of Education Economics	\$1,250,000	\$1,500,000	\$0	\$0
Provide funding for administration of the Virginia Business Ready Sites programs	\$750,000	\$750,000	\$0	\$0
Establish a Virginia office in Taiwan	\$500,000	\$500,000	\$0	\$0
Remove one-time funding to support the Virginia Talent Accelerator Program	(\$735,000)	(\$735,000)	\$0	\$0
Eliminate the Offshore Wind Industry Supply Chain Program	(\$2,500,000)	(\$2,500,000)	\$0	\$0
Virginia Economic Development Partnership - Total Proposed Budget Changes	\$1,265,000	\$1,765,000	\$0	\$0
Virginia Innovation Partnership Authority				
Establish the Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network	\$100,000,000	\$0	\$0	\$0
Virginia Innovation Partnership Authority - Total Proposed Budget Changes	\$100,000,000	\$0	\$0	\$0
Virginia Tourism Authority				
Increase funding for Spearhead Trails	\$800,000	\$0	\$0	\$0
Provide funding for Carter Family Fold	\$300,000	\$0	\$0	\$0
Remove advertising requirements	\$0	\$0	\$0	\$0
Virginia Tourism Authority - Total Proposed Budget Changes	\$1,100,000	\$0	\$0	\$0
Commerce and Trade - Total Proposed Budget Changes	\$95,201,195	(\$80,082,728)	\$13,914,547	\$13,914,547
Education				
Christopher Newport University				
Provide funding for campus safety and security initiatives	\$331,950	\$0	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Christopher Newport University - Total Proposed Budget Changes	\$331,950	\$0	\$0	\$0
Cooperative Extension and Agricultural Research Services				
Increase funding for state match of federal funds	\$1,786,289	\$1,786,289	\$0	\$0
Increase maximum employment level	\$0	\$0	\$0	\$0
Cooperative Extension and Agricultural Research Services - Total Proposed Budget Changes	\$1,786,289	\$1,786,289	\$0	\$0
Department of Education, Central Office Operations				
Continue Child Care Subsidy Program after federal funding becomes unavailable	\$174,258,588	\$237,815,584	\$38,996,516	\$0
Develop new state assessment system	\$25,000,000	\$15,000,000	\$0	\$0
Support student access to mental health services	\$7,200,000	\$7,200,000	\$0	\$0
Maintain Teacher Licensure System	\$389,000	\$389,000	\$0	\$0
Establish Chief School Mental Health Officer	\$200,000	\$200,000	\$0	\$0
Transfer appropriation between programs	\$0	\$0	\$0	\$0
Align nongeneral fund appropriation to estimated revenue	\$0	\$0	(\$21,785,000)	(\$21,785,000)
Provide flexibility for child care staff-to-children ratios	\$0	\$0	\$0	\$0
Recognize savings from rightsizing the Office of School Quality	(\$1,922,461)	(\$1,922,461)	\$0	\$0
Department of Education, Central Office Operations - Total Proposed Budget Changes	\$205,125,127	\$258,682,123	\$17,211,516	(\$21,785,000)
Direct Aid to Public Education				
Reduce unfunded liabilities of the Teacher Retirement Plan	\$115,000,000	\$0	\$235,000,000	\$0
Rebenchmark the cost of Direct Aid to Public Education	\$72,623,293	\$87,938,503	\$0	\$0
Provide a one percent bonus for instructional and support positions in FY 2025	\$53,012,815	\$0	\$0	\$0
Support expanded reading specialist staffing standard	\$30,467,962	\$30,713,413	\$0	\$0
Provide reliable funding for College Partnership Laboratory Schools	\$30,000,000	\$30,000,000	\$0	\$0
Update sales tax revenues for base expansion	\$23,856,394	\$61,821,891	\$0	\$0
Support attainment of industry recognized credentials through Diploma Plus grants	\$20,000,000	\$20,000,000	\$0	\$0
Update Career and Technical Education data	\$13,044,051	\$13,097,702	\$0	\$0
Update Virginia Retirement System (VRS) rates for non-professional employees	\$2,664,106	\$2,626,324	\$0	\$0
Update Lottery proceeds for public education	\$2,254,048	\$2,254,046	(\$2,254,052)	(\$2,254,052)

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Update Standards of Learning Test score data	\$2,102,728	\$2,131,165	\$0	\$0
Remove cap on Supplemental Basic Aid payments	\$1,779,201	\$1,740,790	\$0	\$0
Update Categorical programs	\$864,944	\$900,696	\$0	\$0
Provide supplemental support for Accomack and Northampton	\$800,003	\$799,997	\$0	\$0
Provide funding for Reach Virginia	\$630,000	\$0	\$0	\$0
Increase funding for Communities in Schools	\$500,000	\$500,000	\$0	\$0
Update distributions for school age population	\$387,033	\$387,035	\$0	\$0
Provide funding for the Virginia Holocaust Museum	\$250,000	\$125,000	\$0	\$0
Transfer appropriation for Grow Your Own Teacher program	\$240,000	\$240,000	\$0	\$0
Increase funding for vision screening grants	\$200,000	\$200,000	\$0	\$0
Transfer appropriation for Dual Enrollment Credentials	\$100,000	\$100,000	\$0	\$0
Provide a two percent compensation supplement for instructional and support positions in FY 2026	\$0	\$122,755,950	\$0	\$0
Clarify language directing allocation of Alternative Education slots	\$0	\$0	\$0	\$0
Align teacher requirements for community providers of early childhood learning	\$0	\$0	\$0	\$0
Increase utilization of teacher scholarship funds supporting dual enrollment credentialing	\$0	\$0	\$0	\$0
Appropriate School Construction Fund revenue	\$0	\$0	\$80,000,000	\$80,000,000
Update supplemental education programs	(\$537,500)	(\$537,500)	\$0	\$0
Update Remedial Summer School projections	(\$758,164)	(\$3,453,188)	\$0	\$0
Update Fall Membership data in Direct Aid program formulas	(\$1,232,393)	(\$1,592,408)	\$0	\$0
Update English as a Second Language enrollment projections	(\$4,009,815)	(\$6,648,302)	\$0	\$0
Update Incentive programs	(\$5,463,372)	(\$6,379,309)	\$0	\$0
Update Lottery supported programs	(\$8,739,913)	(\$3,481,870)	\$0	\$0
Update inflation for non-personal costs	(\$16,528,285)	(\$16,716,981)	\$0	\$0
Update composite index of local ability-to-pay	(\$30,768,348)	(\$30,514,611)	\$0	\$0
Update Average Daily Membership projections	(\$34,728,390)	(\$53,087,668)	\$0	\$0
Update sales tax revenues for public education	(\$47,041,201)	(\$16,065,471)	\$0	\$0
Redirect Virginia Preschool Initiative and Early Childhood Expansion nonparticipation savings to other early childhood programs	(\$53,016,078)	(\$53,711,109)	\$0	\$0
Adjust funding for retirement	(\$59,830,887)	(\$59,800,462)	\$0	\$0
Eliminate Supplemental General Fund Payment in Lieu of Sales Tax on Food and Personal Hygiene Products	(\$114,475,083)	(\$114,475,094)	\$0	\$0
Provide Literary Fund support for school employee retirement contributions	(\$150,000,000)	(\$150,000,000)	\$150,000,000	\$150,000,000

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Direct Aid to Public Education - Total Proposed Budget Changes	(\$156,352,851)	(\$138,131,461)	\$462,745,948	\$227,745,948
Eastern Virginia Medical School				
Support operations of the Eastern Virginia Health Sciences Center	\$21,000,000	\$16,000,000	\$0	\$0
Eastern Virginia Medical School - Total Proposed Budget Changes	\$21,000,000	\$16,000,000	\$0	\$0
George Mason University				
Provide funding for campus safety and security initiatives	\$2,462,100	\$0	\$0	\$0
Adjust auxiliary enterprise appropriation	\$0	\$0	\$33,070,000	\$49,810,000
Adjust sponsored programs appropriation	\$0	\$0	\$37,060,000	\$62,550,000
Adjust financial aid appropriation	\$0	\$0	\$8,000,000	\$8,000,000
Adjust educational and general appropriation	\$0	\$0	\$28,800,000	\$63,300,000
George Mason University - Total Proposed Budget Changes	\$2,462,100	\$0	\$106,930,000	\$183,660,000
James Madison University				
Provide funding for campus safety and security initiatives	\$1,597,275	\$0	\$0	\$0
Provide funding for a new "Fast Flex" BSN Program	\$997,816	\$997,816	\$0	\$0
Reallocate educational and general and auxiliary appropriation between programs	\$0	\$0	\$0	\$0
Increase auxiliary programs appropriation	\$0	\$0	\$10,967,528	\$10,967,528
Increase auxiliary programs appropriations to align with six-year nongeneral fund revenue estimates	\$0	\$0	\$14,396,512	\$33,885,733
Increase sponsored programs appropriation	\$0	\$0	\$11,500,000	\$11,500,000
Realign educational and general and auxiliary positions by program	\$0	\$0	\$0	\$0
James Madison University - Total Proposed Budget Changes	\$2,595,091	\$997,816	\$36,864,040	\$56,353,261
Longwood University				
Provide funding for campus safety and security initiatives	\$302,475	\$0	\$0	\$0
Longwood University - Total Proposed Budget Changes	\$302,475	\$0	\$0	\$0
New College Institute				
Recognize savings during planning, recruitment, and expansion efforts	\$0	(\$3,101,809)	\$0	(\$1,585,041)
New College Institute - Total Proposed Budget Changes	\$0	(\$3,101,809)	\$0	(\$1,585,041)

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Norfolk State University				
Provide funding for campus safety and security initiatives	\$388,650	\$0	\$0	\$0
Norfolk State University - Total Proposed Budget Changes	\$388,650	\$0	\$0	\$0
Old Dominion University				
Provide funding for campus safety and security initiatives	\$1,410,000	\$0	\$0	\$0
Adjust nongeneral fund appropriation	\$0	\$0	(\$21,000,000)	(\$21,000,000)
Old Dominion University - Total Proposed Budget Changes	\$1,410,000	\$0	(\$21,000,000)	(\$21,000,000)
Online Virginia Network Authority				
Remove funding for Online Virginia Network Authority	(\$4,000,000)	(\$4,000,000)	\$0	\$0
Online Virginia Network Authority - Total Proposed Budget Changes	(\$4,000,000)	(\$4,000,000)	\$0	\$0
Radford University				
Provide funding for campus safety and security initiatives	\$526,350	\$0	\$0	\$0
Transfer Radford University Carilion appropriation between programs	\$0	\$0	\$0	\$0
Radford University - Total Proposed Budget Changes	\$526,350	\$0	\$0	\$0
Richard Bland College				
Provide funding for campus safety and security initiatives	\$150,000	\$0	\$0	\$0
Richard Bland College - Total Proposed Budget Changes	\$150,000	\$0	\$0	\$0
Secretary of Education				
Develop report on teacher compensation	\$0	\$0	\$0	\$0
Secretary of Education - Total Proposed Budget Changes	\$0	\$0	\$0	\$0
Southeastern Universities Research Association Doing Business fo				
Amend language to allow use of existing funds for the High Performance Data Facility project	\$0	\$0	\$0	\$0
Southeastern Universities Research Association Doing Business for Jefferson Science Associates, LLC - Total Proposed Budget Changes	\$0	\$0	\$0	\$0
Southern Virginia Higher Education Center				
Transfer funds supporting Cardinal Education centralized services from the University of Virginia	\$110,583	\$110,583	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Southern Virginia Higher Education Center - Total Proposed Budget Changes	\$110,583	\$110,583	\$0	\$0
Southwest Virginia Higher Education Center				
Adjust maximum employment level	\$0	\$0	\$0	\$0
Southwest Virginia Higher Education Center - Total Proposed Budget Changes	\$0	\$0	\$0	\$0
State Council of Higher Education for Virginia				
Support student access to internships	\$19,000,000	\$1,000,000	\$0	\$0
Increase funding for the Workforce Credential Grant Program	\$3,950,000	\$5,250,000	\$0	\$0
Support student access to mental health services	\$3,000,000	\$3,000,000	\$0	\$0
Increase funding for Virginia Military Survivors and Dependents Education Program (VMSDEP) stipends	\$2,000,000	\$2,000,000	\$0	\$0
Increase funding to support Virtual Library of Virginia collections	\$325,000	\$650,000	\$0	\$0
Update state financial aid policies to address the Free Application for Federal Student Aid (FAFSA) Simplification Act	\$0	\$0	\$0	\$0
Adjust Tuition Assistance Grant language	\$0	\$0	\$0	\$0
Reduce funding for Pell initiative	\$0	(\$37,500,000)	\$0	\$0
Eliminate funding for grants to schools and colleges of optometry students	(\$20,000)	(\$20,000)	\$0	\$0
Reduce funding for the student loan ombudsman office	(\$126,811)	(\$174,000)	\$0	\$0
Eliminate fund for excellence and innovation	(\$225,000)	(\$225,000)	\$0	\$0
Consolidate teaching scholarship programs	(\$340,000)	(\$340,000)	\$0	\$0
Reduce appropriation for the Two-Year College Transfer Grant (CTG) Program	(\$800,000)	(\$800,000)	\$0	\$0
State Council of Higher Education for Virginia - Total Proposed Budget Changes	\$26,763,189	(\$27,159,000)	\$0	\$0
The College of William and Mary in Virginia				
Provide funding for campus safety and security initiatives	\$700,800	\$0	\$0	\$0
Increase nongeneral fund appropriation to match approved levels	\$0	\$0	\$20,237,519	\$20,237,519
The College of William and Mary in Virginia - Total Proposed Budget Changes	\$700,800	\$0	\$20,237,519	\$20,237,519
The Science Museum of Virginia				
Realign base budget with expenditures	\$0	\$0	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
The Science Museum of Virginia - Total Proposed Budget Changes	\$0	\$0	\$0	\$0
University of Mary Washington				
Provide funding for campus safety and security initiatives	\$249,450	\$0	\$0	\$0
University of Mary Washington - Total Proposed Budget Changes	\$249,450	\$0	\$0	\$0
University of Virginia				
Provide funding for campus safety and security initiatives	\$2,005,050	\$0	\$0	\$0
Increase nongeneral fund appropriation for educational and general programs	\$0	\$0	\$292,052,401	\$438,660,140
Transfer funds supporting Cardinal Education centralized services to Southern Virginia Higher Education Center	(\$110,583)	(\$110,583)	\$0	\$0
University of Virginia - Total Proposed Budget Changes	\$1,894,467	(\$110,583)	\$292,052,401	\$438,660,140
University of Virginia Medical Center				
Increase nongeneral fund appropriation	\$0	\$0	\$639,859,781	\$772,188,987
University of Virginia Medical Center - Total Proposed Budget Changes	\$0	\$0	\$639,859,781	\$772,188,987
University of Virginia's College at Wise				
Provide funding for campus safety and security initiatives	\$150,000	\$0	\$0	\$0
Continue indirect cost recovery relief	\$0	\$0	\$0	\$0
Transfer positions between programs	\$0	\$0	\$0	\$0
Increase maximum employment level for previously funded positions	\$0	\$0	\$0	\$0
University of Virginia's College at Wise - Total Proposed Budget Changes	\$150,000	\$0	\$0	\$0
Virginia College Building Authority				
Modify Higher Education Equipment Trust fund allocation	\$0	\$0	\$0	\$0
Virginia College Building Authority - Total Proposed Budget Changes	\$0	\$0	\$0	\$0
Virginia Commission for the Arts				
Allow general fund carryforward and reappropriation of unexpended funds	\$0	\$0	\$0	\$0
Adjust nongeneral fund appropriation for federal grant funds	\$0	\$0	\$188,551	\$188,551

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Virginia Commission for the Arts - Total Proposed Budget Changes	\$0	\$0	\$188,551	\$188,551
Virginia Commonwealth University				
Provide funding for campus safety and security initiatives	\$1,974,450	\$0	\$0	\$0
Transfer appropriation between programs	\$0	\$0	\$0	\$0
Virginia Commonwealth University - Total Proposed Budget Changes	\$1,974,450	\$0	\$0	\$0
Virginia Community College System				
Establish regional career placement centers	\$3,900,000	\$3,900,000	\$0	\$0
Provide funding for campus safety and security initiatives	\$1,000,000	\$0	\$0	\$0
Transfer appropriation between programs to accurately reflect prior reduction actions	\$0	\$0	\$0	\$0
Transfer Workforce Investment and Opportunity Act appropriation and positions to the Department of Workforce Development and Advancement	\$0	\$0	(\$53,850,629)	(\$53,850,629)
Adjust higher education operating appropriation	\$0	\$0	(\$63,573,923)	(\$63,573,923)
Remove obsolete budget language	\$0	\$0	\$0	\$0
Virginia Community College System - Total Proposed Budget Changes	\$4,900,000	\$3,900,000	(\$117,424,552)	(\$117,424,552)
Virginia Institute of Marine Science				
Provide funding for facilities review	\$150,000	\$0	\$0	\$0
Update language for the Elizabeth River Scorecard Project	\$0	\$0	\$0	\$0
Increase appropriation to match revenues and anticipated expenditures	\$0	\$0	\$4,433,032	\$4,433,032
Language modification to reflect establishment of Commonwealth Center for Recurrent Flooding Resiliency	\$0	\$0	\$0	\$0
Realign appropriation between education and general programs	\$0	\$0	\$0	\$0
Virginia Institute of Marine Science - Total Proposed Budget Changes	\$150,000	\$0	\$4,433,032	\$4,433,032
Virginia Military Institute				
Provide funding for campus safety and security initiatives	\$150,000	\$0	\$0	\$0
Align nongeneral fund appropriation to revenue	\$0	\$0	(\$5,500,000)	(\$5,000,000)
Virginia Military Institute - Total Proposed Budget Changes	\$150,000	\$0	(\$5,500,000)	(\$5,000,000)

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Virginia Museum of Natural History				
Increase nongeneral fund appropriation for research associate position	\$0	\$0	\$78,500	\$82,425
Virginia Museum of Natural History - Total Proposed Budget Changes	\$0	\$0	\$78,500	\$82,425
Virginia Polytechnic Institute and State University				
Provide funding for campus safety and security initiatives	\$2,914,275	\$0	\$0	\$0
Align educational and general appropriation with approved tuition and fee rates	\$0	\$0	\$15,555,049	\$15,555,049
Align nongeneral fund appropriation for auxiliary enterprises	\$0	\$0	\$26,925,946	\$26,925,946
Align nongeneral fund appropriation for sponsored program activity	\$0	\$0	\$33,200,456	\$33,200,456
Virginia Polytechnic Institute and State University - Total Proposed Budget Changes	\$2,914,275	\$0	\$75,681,451	\$75,681,451
Virginia School for the Deaf and the Blind				
Modernize information technology systems and services	\$1,683,522	\$1,132,349	\$0	\$0
Adjust salaries to remain competitive and retain employees	\$939,565	\$939,565	\$28,721	\$28,721
Adjust maximum employment level	\$0	\$0	\$0	\$0
Virginia School for the Deaf and the Blind - Total Proposed Budget Changes	\$2,623,087	\$2,071,914	\$28,721	\$28,721
Virginia State University				
Provide funding for campus safety and security initiatives	\$335,025	\$0	\$0	\$0
Increase nongeneral fund appropriation for Auxiliary Enterprises	\$0	\$0	\$7,500,000	\$7,500,000
Virginia State University - Total Proposed Budget Changes	\$335,025	\$0	\$7,500,000	\$7,500,000
Education - Total Proposed Budget Changes	\$118,640,507	\$111,045,872	\$1,519,886,908	\$1,619,965,442

Executive Offices

Attorney General and Department of Law

Provide additional information technology (IT) staff	\$674,850	\$674,850	\$0	\$0
Increase consumer protection enforcement investigator staff	\$660,089	\$660,089	\$0	\$0
Increase rate payer protection staff	\$267,437	\$267,437	\$0	\$0
Fund comprehensive youth opioid prevention effort	\$0	\$0	\$4,000,000	\$4,000,000
Remove Soil and Water Conservation District language	\$0	\$0	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Use settlement funds to support a youth vaping prevention campaign	\$0	\$0	\$1,000,000	\$1,000,000
Increase the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund appropriation and carryforward	\$0	\$0	\$500,000	\$500,000
Attorney General and Department of Law - Total Proposed Budget Changes	\$1,602,376	\$1,602,376	\$5,500,000	\$5,500,000
Interstate Organization Contributions				
Provide appropriation for interstate Commonwealth memberships	\$20,000	\$20,000	\$0	\$0
Interstate Organization Contributions - Total Proposed Budget Changes	\$20,000	\$20,000	\$0	\$0
Office of the Governor				
Expand the Permitting Enhancement and Evaluation Platform	\$4,590,000	\$0	\$0	\$0
Provide funding for five artificial intelligence pilots	\$600,000	\$0	\$0	\$0
Provide additional staff for the Office of the Children's Ombudsman	\$128,927	\$128,927	\$0	\$0
Provide funding for Office of the Children's Ombudsman overhead costs	\$25,000	\$25,000	\$0	\$0
Transfer funding for Office of Diversity, Opportunity, and Inclusion	\$0	\$0	\$0	\$0
Office of the Governor - Total Proposed Budget Changes	\$5,343,927	\$153,927	\$0	\$0
Secretary of the Commonwealth				
Address staffing needs for notary and restoration of rights functions	\$169,377	\$169,377	\$0	\$0
Consolidate budget service areas	\$0	\$0	\$0	\$0
Secretary of the Commonwealth - Total Proposed Budget Changes	\$169,377	\$169,377	\$0	\$0
Executive Offices - Total Proposed Budget Changes	\$7,135,680	\$1,945,680	\$5,500,000	\$5,500,000

Finance

Department of Accounts

Adjust appropriation for the Performance Budgeting System internal service fund	\$0	\$0	\$85,809	\$214,209
Adjust appropriation for the Cardinal Financials System internal service fund	\$0	\$0	(\$6,397,954)	(\$6,212,929)
Adjust appropriation for the Cardinal Human Capital Management System internal service fund	\$0	\$0	(\$4,454,669)	(\$4,379,944)

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Adjust appropriation for the Payroll Service Bureau internal service fund	\$0	\$0	(\$103,288)	\$87,527
Adjust appropriation for unexpended general fund balances	(\$869,258)	(\$869,258)	\$0	\$0
Department of Accounts - Total Proposed Budget Changes	(\$869,258)	(\$869,258)	(\$10,870,102)	(\$10,291,137)
Department of Accounts Transfer Payments				
Align combined balance limit for the Revenue Stabilization and Revenue Reserve Funds with statute	\$0	\$0	\$0	\$0
Eliminate appropriation for Virginia Education Loan Authority Reserve Fund program	\$0	\$0	(\$194,778)	(\$194,778)
Department of Accounts Transfer Payments - Total Proposed Budget Changes	\$0	\$0	(\$194,778)	(\$194,778)
Department of Planning and Budget				
Adjust operating budget	\$0	\$0	\$0	\$0
Reduce maximum employment level	\$0	\$0	\$0	\$0
Adjustment for unspent appropriations	(\$113,000)	(\$113,000)	\$0	\$0
Department of Planning and Budget - Total Proposed Budget Changes	(\$113,000)	(\$113,000)	\$0	\$0
Department of Taxation				
Modify private collection agency language	\$0	\$0	\$0	\$0
Reduce maximum employee level count	\$0	\$0	\$0	\$0
Transfer uncommitted court debt collection office fund balances	\$0	\$0	\$0	\$0
Mandate online registration for new businesses	(\$30,000)	(\$30,000)	\$0	\$0
Department of Taxation - Total Proposed Budget Changes	(\$30,000)	(\$30,000)	\$0	\$0
Department of the Treasury				
Eliminate unfunded vacant positions	\$0	\$0	\$0	\$0
Upgrade Treasury investment management information technology systems	\$0	\$0	\$250,000	\$250,000
Increase appropriation for the general liability insurance program	\$0	\$0	\$3,000,000	\$4,000,000
Establish base budget appropriation for Special Damages Fund	\$0	\$0	\$0	\$0
Increase appropriation for increased costs of property insurance	\$0	\$0	\$12,000,000	\$12,000,000
Impose annual fee on private college users of the Virginia College Building Authority	(\$25,000)	(\$50,000)	\$0	\$0
Recover full costs of administration of Virginia School Authority Programs	(\$46,194)	(\$46,194)	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Department of the Treasury - Total Proposed Budget Changes	(\$71,194)	(\$96,194)	\$15,250,000	\$16,250,000
Treasury Board				
Adjust funding for debt service	\$24,397,332	\$59,298,470	(\$936,312)	(\$1,516,680)
Treasury Board - Total Proposed Budget Changes	\$24,397,332	\$59,298,470	(\$936,312)	(\$1,516,680)
Finance - Total Proposed Budget Changes	\$23,313,880	\$58,190,018	\$3,248,808	\$4,247,405
Health and Human Resources				
Children's Services Act				
Fund Children's Services Act forecast	\$48,528,902	\$48,528,902	\$0	\$0
Fund supports for kinship alternative living arrangements	\$1,220,567	\$1,220,567	\$0	\$0
Children's Services Act - Total Proposed Budget Changes	\$49,749,469	\$49,749,469	\$0	\$0
Department for Aging and Rehabilitative Services				
Adjust state support for Centers for Independent Living salaries and ensure operational data is available	\$37,423	\$37,423	\$0	\$0
Department for Aging and Rehabilitative Services - Total Proposed Budget Changes	\$37,423	\$37,423	\$0	\$0
Department for the Blind and Vision Impaired				
Adjust appropriation and positions to reflect current services	\$0	\$0	(\$4,291,503)	(\$4,291,503)
Authorize treasury loan to facilitate new navy contract	\$0	\$0	\$0	\$0
Department for the Blind and Vision Impaired - Total Proposed Budget Changes	\$0	\$0	(\$4,291,503)	(\$4,291,503)
Department for the Deaf and Hard-Of-Hearing				
Adjust appropriation to reflect lower cost of relay services	\$0	\$0	(\$299,512)	(\$299,512)
Department for the Deaf and Hard-Of-Hearing - Total Proposed Budget Changes	\$0	\$0	(\$299,512)	(\$299,512)
Department of Behavioral Health and Developmental Services				
Fund additional crisis services	\$32,967,146	\$2,603,514	\$0	\$0
Fund comprehensive psychiatric emergency programs	\$10,000,000	\$0	\$0	\$0
Fund mobile crisis teams	\$10,000,000	\$0	\$0	\$0
Expand alternative transportation and custody program to individuals under involuntary commitment orders	\$4,733,920	\$4,733,920	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Increase crisis training among local first responders and hospital personnel	\$2,585,000	\$2,585,000	\$0	\$0
Expand and sustain funding for adolescent substance use disorder services	\$1,080,000	\$610,000	\$0	\$0
Fund new credentialing database for youth mental health services	\$1,000,000	\$1,000,000	\$0	\$0
Fund initiatives to expand mental health workforce	\$595,876	\$645,876	\$0	\$0
Provide funds for Boost 200 expansion	\$575,000	\$575,000	\$0	\$0
Add new positions in the developmental disabilities division	\$490,222	\$490,222	\$490,222	\$490,222
Fund training and quality improvement for preadmission screening clinicians	\$300,000	\$0	\$0	\$0
Fund peer-to-peer mentoring and employment programs for individuals with developmental disabilities	\$214,250	\$214,250	\$0	\$0
Combine funding for alternative transportation and custody	\$0	\$0	\$0	\$0
Combine waiver reporting requirements	\$0	\$0	\$0	\$0
Transfer funds for administrative support of the Opioid Abatement Authority	\$0	\$0	\$200,000	\$200,000
Support complex hospital discharges	\$0	\$0	\$0	\$0
Provide flexibility for pilot funding for inpatient admission alternatives	\$0	\$0	\$0	\$0
Align appropriation to projected spending	\$0	\$0	\$0	\$0
Provide emergency regulatory language for behavioral health services	\$0	\$0	\$0	\$0
Allow funds for dementia behavioral specialists to be used for geriatric population	\$0	\$0	\$0	\$0
Amend language to allow dementia funds to be used for discharge and diversion of older adults	\$0	\$0	\$0	\$0
Provide additional appropriation for problem gambling treatment	\$0	\$0	\$306,521	\$306,521
Optimize drug court funding	\$0	\$0	\$0	\$0
Transfer funds for developmental disability waiver rate responsibilities to the Department of Medical Assistance Services	(\$85,000)	(\$85,000)	\$0	\$0
Eliminate technology contract	(\$180,604)	(\$180,604)	\$0	\$0
Use crisis call center fund balances to support crisis efforts	(\$500,000)	(\$500,000)	\$500,000	\$500,000
Capture underutilized funds for children's inpatient services	(\$800,000)	(\$800,000)	\$0	\$0
Reduce funding for local inpatient purchase of service	(\$1,239,662)	(\$1,239,662)	\$0	\$0
Department of Behavioral Health and Developmental Services - Total Proposed Budget Changes	\$61,736,148	\$10,652,516	\$1,496,743	\$1,496,743
Department of Health				
Enhance the Behavioral Health Loan Repayment Program	\$5,000,000	\$5,000,000	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Continue support for the Earn to Learn Nursing Education Acceleration Program	\$4,000,000	\$4,000,000	\$0	\$0
Add funding for Hampton Roads Proton Beam Therapy Institute	\$2,500,000	\$0	\$0	\$0
Supplant Temporary Assistance for Needy Families block grant funding for Families Forward with general fund	\$2,400,000	\$2,400,000	(\$2,400,000)	(\$2,400,000)
Provide funding to create sustainable financial oversight	\$1,765,106	\$1,765,106	\$0	\$0
Supplant Temporary Assistance for Needy Families block grant funding for Resource Mothers with general fund	\$1,000,000	\$1,000,000	(\$1,000,000)	(\$1,000,000)
Provide additional support for the Nursing Scholarships and Loan Repayment Program	\$936,000	\$936,000	\$0	\$0
Establish Office of Grants Administration	\$557,010	\$557,010	\$0	\$0
Provide state matching funds to expand home visiting services	\$333,333	\$500,000	\$1,000,000	\$1,500,000
Add funds to increase staffing of Healthcare Workforce Incentive Unit	\$231,373	\$231,373	\$0	\$0
Provide support for Special Olympics Virginia for Unified Champion Schools	\$150,000	\$150,000	\$0	\$0
Supplant Temporary Assistance for Needy Families block grant funding for contraceptives with general fund	\$0	\$4,000,000	\$0	(\$4,000,000)
Provide funding to conduct a wastewater surveillance demonstration project for fentanyl and norfentanyl	\$0	\$0	\$400,000	\$0
Transfer funds for administrative support of the Opioid Abatement Authority	\$0	\$0	(\$200,000)	(\$200,000)
Remove appropriation act language related to the Vaccine Equity Report	\$0	\$0	\$0	\$0
Expands use of tuberculosis funding	\$0	\$0	\$0	\$0
Exempt the Office of Emergency Medical Services from a Part-3 transfer in 2025	\$0	\$0	\$0	\$0
Allocate portion of opioid settlement funds for fentanyl response efforts	\$0	\$0	\$5,519,145	\$5,464,145
Align appropriation to where expenditures occur	\$0	\$0	\$0	\$0
Reduce excess federal appropriation	\$0	\$0	(\$12,588,619)	(\$12,588,619)
Department of Health - Total Proposed Budget Changes	\$18,872,822	\$20,539,489	(\$9,269,474)	(\$13,224,474)
Department of Health Professions				
Increase support for licensing, investigative, and administrative staff	\$0	\$0	\$749,483	\$749,483
Department of Health Professions - Total Proposed Budget Changes	\$0	\$0	\$749,483	\$749,483
Department of Medical Assistance Services				
Adjust Health Care Fund appropriation	\$255,509,925	\$253,409,925	(\$255,509,925)	(\$253,409,925)

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Fund Medicaid utilization and inflation	\$175,061,715	\$538,941,216	\$2,701,200,980	\$3,784,771,616
Add developmental disability waiver slots	\$50,045,297	\$100,208,162	\$52,187,065	\$104,256,563
Fund Family Access to Medical Insurance Security utilization and inflation	\$19,647,848	\$27,309,014	\$44,659,305	\$59,432,008
Replace fiscal agent services system	\$1,000,000	\$2,200,000	\$8,000,000	\$19,800,000
Provide funding to support graduate medical education residencies	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Fund the modification of waiver service limits	\$549,756	\$549,756	\$597,222	\$597,222
Provide authorization and funding for changes in the managed care contract re-procurement	\$516,602	\$676,502	\$1,273,398	\$1,613,498
Ensure Medicaid behavioral health services are evidence-based and trauma-informed	\$500,000	\$0	\$500,000	\$0
Transfer resources to fund developmental disability waiver responsibilities	\$85,000	\$85,000	\$85,000	\$85,000
Implement telehealth service delivery options for developmental disability waivers	\$0	\$0	\$0	\$0
Reduce reliance on contractual staff	\$0	\$0	\$0	\$0
Modify hospital supplemental payment language	\$0	\$0	\$0	\$0
Improve third-party liability recoveries	\$0	\$0	\$0	\$0
Improve access to peer recovery support services	\$0	\$0	\$0	\$0
Implement supplemental disproportionate share hospital pool	\$0	\$0	\$0	\$0
Align outpatient rehabilitation reimbursement methodology with industry standards	\$0	\$0	\$0	\$0
Authorize the removal of obsolete supplemental payment language	\$0	\$0	\$0	\$0
Improve the identification of alternative health care coverage eligibility	\$0	\$0	\$0	\$0
Make technical clarification to coverage of prevention services for adults	(\$251,690)	(\$258,609)	\$251,690	\$258,609
Adjust funding for medical services for involuntary mental commitments	(\$2,366,962)	(\$780,525)	\$0	\$0
Adjust Medicaid appropriation for facilities to reflect anticipated costs	(\$2,618,703)	(\$2,584,681)	(\$1,267,155)	(\$1,301,177)
Eliminate Medicaid coverage of drugs for weight loss	(\$4,060,985)	(\$4,765,823)	(\$9,996,258)	(\$11,644,460)
Fund medical assistance services for low-income children utilization and inflation	(\$11,090,611)	(\$4,591,555)	(\$14,654,599)	(\$2,122,746)
Department of Medical Assistance Services - Total Proposed Budget Changes	\$483,527,192	\$911,398,382	\$2,528,326,723	\$3,703,336,208

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Department of Social Services				
Sustain the relative maintenance payment program and fund supports for kinship and alternative living arrangements	\$8,125,922	\$7,840,439	\$0	\$0
Fund income verification for public benefits contract increase	\$5,957,200	\$5,957,200	\$5,957,200	\$5,957,200
Fund foster care and adoption cost of living adjustments	\$3,486,235	\$3,486,235	\$3,119,354	\$3,119,354
Fund administration for the summer Electronic Benefits Transfer (EBT) program for children	\$2,883,149	\$2,545,649	\$2,883,149	\$2,545,649
Fund the child welfare forecast	\$1,541,391	\$1,653,727	(\$6,448,755)	(\$6,561,091)
Provide funding for fatherhood programs	\$1,500,000	\$2,500,000	\$0	\$0
Provide funding for Supplemental Nutrition Assistance Program overissuance settlement agreement	\$1,438,312	\$1,338,312	\$0	\$0
Address the Temporary Assistance for Needy Families grant shortfall	\$600,000	\$9,600,000	(\$1,010,000)	(\$11,135,000)
Increase funding for the Supplemental Nutrition Assistance Program Electronic Benefits Transfer program contract	\$590,889	\$832,889	\$590,889	\$832,889
Transfer housing funding for youths aging out of foster care from the Department of Housing and Community Development	\$564,000	\$564,000	\$0	\$0
Support the Judge Swett Learning Center	\$500,000	\$500,000	\$0	\$0
Fund adult protective services hotline capacity	\$246,548	\$246,548	\$0	\$0
Convert part-time Supplemental Nutrition Assistance Program (SNAP) management evaluation reviewer positions to full-time positions	\$113,224	\$113,224	\$113,224	\$113,224
Fund background checks for local department of social services employees and contractors	\$72,215	\$0	\$104,660	\$0
Fund advanced contact to Medicaid recipients at renewal	\$50,000	\$0	\$50,000	\$0
Remove or update outdated or redundant Appropriation Act language	\$0	\$0	\$0	\$0
Modernize the child support information system	\$0	\$0	\$15,542,337	(\$4,091,339)
Appropriate additional federal award funding for refugee resettlement	\$0	\$0	\$46,500,000	\$46,500,000
Adjust agency appropriations to better align with agency objectives	\$0	\$0	\$0	\$0
Add mandatory carryforward language for unspent Comprehensive Child Welfare Information System funding	\$0	\$0	\$0	\$0
Appropriate nongeneral funds for local staff and operations	\$0	\$0	\$42,597,179	\$42,597,179
Recognize savings from rent decrease	(\$525,158)	(\$528,128)	(\$787,737)	(\$787,737)
Fund the Temporary Assistance for Needy Families benefits and Virginia Initiative for Education and Work childcare forecast	(\$1,046,220)	(\$2,642,374)	\$10,628,003	\$12,082,951
Recognize savings from reducing prevention services funding	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Department of Social Services - Total Proposed Budget Changes	\$21,097,707	\$29,007,721	\$114,839,503	\$86,173,279

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Grants to Localities				
Fund crisis co-responder programs	\$3,600,000	\$4,200,000	\$0	\$0
Fund peer wellness stay programs	\$3,443,525	\$3,302,053	\$0	\$0
Increase funding for Part C early intervention programs	\$2,596,431	\$2,596,431	\$0	\$0
Reduce funding for Appalachian Telemental Health	(\$1,100,000)	\$0	\$0	\$0
Utilize Crisis Call Center Fund balance to support crisis call center services	(\$2,697,020)	\$0	\$2,697,020	\$0
Grants to Localities - Total Proposed Budget Changes	\$5,842,936	\$10,098,484	\$2,697,020	\$0
Intellectual Disabilities Training Centers				
Fund salary alignments for clinical roles at state facilities	\$726,826	\$726,826	\$0	\$0
Fund salary alignment for food and environmental services staff	\$567,627	\$567,627	\$0	\$0
Fund licensed workforce development program at state facilities	\$70,514	\$0	\$0	\$0
Align appropriation with projected expenditures	\$0	\$0	(\$2,000,000)	(\$2,000,000)
Reduce funding for maintenance of Central Virginia Training Center grounds	(\$1,000,000)	(\$1,000,000)	\$0	\$0
Intellectual Disabilities Training Centers - Total Proposed Budget Changes	\$364,967	\$294,453	(\$2,000,000)	(\$2,000,000)
Mental Health Treatment Centers				
Fund salary alignments for clinical roles at state facilities	\$10,383,859	\$10,383,859	\$0	\$0
Fund salary alignment for food and environmental services staff	\$7,905,714	\$7,905,714	\$0	\$0
Provides funds for temporary kitchen and reimbursement space at Eastern State Hospital	\$2,336,189	\$0	\$0	\$0
Fund clinical training sites at state facilities	\$741,989	\$711,989	\$0	\$0
Fund licensed workforce development program at state facilities	\$715,301	\$0	\$0	\$0
Adjust appropriation to reflect anticipated revenues	\$0	\$0	(\$8,600,000)	(\$8,600,000)
Mental Health Treatment Centers - Total Proposed Budget Changes	\$22,083,052	\$19,001,562	(\$8,600,000)	(\$8,600,000)
Opioid Abatement Authority				
Provide base appropriation for the Opioid Abatement Authority	\$0	\$0	\$66,095,847	\$76,107,377
Opioid Abatement Authority - Total Proposed Budget Changes	\$0	\$0	\$66,095,847	\$76,107,377
Secretary of Health and Human Resources				
Provide a position and associated funding	\$130,000	\$130,000	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Secretary of Health and Human Resources - Total Proposed Budget Changes	\$130,000	\$130,000	\$0	\$0
Virginia Center for Behavioral Rehabilitation				
Fund salary alignments for clinical roles at state facilities	\$263,261	\$263,261	\$0	\$0
Fund salary alignment for food and environmental services staff	\$33,045	\$33,045	\$0	\$0
Fund licensed workforce development program at state facilities	\$20,813	\$0	\$0	\$0
Virginia Center for Behavioral Rehabilitation - Total Proposed Budget Changes	\$317,119	\$296,306	\$0	\$0
Virginia Rehabilitation Center for the Blind and Vision Impaired				
Reduce appropriated positions to reflect available resources	\$0	\$0	\$0	\$0
Virginia Rehabilitation Center for the Blind and Vision Impaired - Total Proposed Budget Changes	\$0	\$0	\$0	\$0
Health and Human Resources - Total Proposed Budget Changes	\$663,758,835	\$1,051,205,805	\$2,689,744,830	\$3,839,447,601
Independent Agencies				
State Corporation Commission				
Provide additional appropriation for the Reinsurance Program	\$5,000,000	\$47,000,000	\$331,877,124	\$354,120,000
Provide additional resources for the health benefit exchange	\$0	\$0	\$22,279,104	\$25,098,879
Provide additional nongeneral fund appropriation and positions	\$0	\$0	\$6,025,188	\$6,025,188
Establish reinsurance program service area	\$0	\$0	\$0	\$0
State Corporation Commission - Total Proposed Budget Changes	\$5,000,000	\$47,000,000	\$360,181,416	\$385,244,067
Virginia College Savings Plan				
Provide nongeneral fund appropriation for cybersecurity and other purposes	\$0	\$0	\$4,081,249	\$5,062,612
Provide nongeneral fund appropriation for new cybersecurity and other purposes	\$0	\$0	\$381,367	\$415,049
Virginia College Savings Plan - Total Proposed Budget Changes	\$0	\$0	\$4,462,616	\$5,477,661
Virginia Lottery				
Transfer appropriation to correct fund	\$0	\$0	\$0	\$0
Establish base budget appropriation for casino payments to localities	\$0	\$0	\$50,000,000	\$50,000,000
Virginia Lottery - Total Proposed Budget Changes	\$0	\$0	\$50,000,000	\$50,000,000

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Virginia Retirement System				
Adjust funding to enhance business and service delivery models	\$0	\$0	\$1,814,965	\$1,891,727
Provide critical facility repairs and reconfigure space	\$0	\$0	\$3,425,000	\$225,000
Adjust compensation and create internships	\$0	\$0	\$2,376,275	\$2,552,550
Adjust funding to reinforce information technology security	\$0	\$0	\$2,778,669	\$2,422,008
Align appropriation across programs	\$0	\$0	\$0	\$0
Provide additional funding for investment department	\$0	\$0	\$2,590,542	\$3,161,810
Transfer appropriation between fund details for LODA administrative costs	\$0	\$0	\$0	\$0
Adjust funding to improve customer experience	\$0	\$0	\$1,810,018	\$1,958,526
Virginia Retirement System - Total Proposed Budget Changes	\$0	\$0	\$14,795,469	\$12,211,621

Independent Agencies - Total Proposed Budget Changes	\$5,000,000	\$47,000,000	\$429,439,501	\$452,933,349
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Judicial				
Combined District Courts				
Distribute clerk positions and funding across district courts	\$1,077,485	\$1,077,485	\$0	\$0
Combined District Courts - Total Proposed Budget Changes	\$1,077,485	\$1,077,485	\$0	\$0
Court of Appeals of Virginia				
Fund additional staff to address increased caseload	\$1,444,830	\$1,444,830	\$0	\$0
Court of Appeals of Virginia - Total Proposed Budget Changes	\$1,444,830	\$1,444,830	\$0	\$0
General District Courts				
Distribute clerk positions and funding across district courts	\$109,383,832	\$109,383,832	\$0	\$0
Increase General District Court positions for new judgeship	\$0	\$0	\$0	\$0
General District Courts - Total Proposed Budget Changes	\$109,383,832	\$109,383,832	\$0	\$0
Indigent Defense Commission				
Realign two legal positions between service areas	\$0	\$0	\$0	\$0
Increase appropriation to account for Opioid Abatement Authority grant funding	\$0	\$0	\$224,745	\$224,745
Increase nongeneral fund appropriation for a paralegal position in Arlington County	\$0	\$0	\$84,075	\$84,075
Increase nongeneral fund appropriation for locality supplemental pay	\$0	\$0	\$1,829,838	\$1,829,838

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Indigent Defense Commission - Total Proposed Budget Changes	\$0	\$0	\$2,138,658	\$2,138,658
Juvenile and Domestic Relations District Courts				
Distribute clerk positions and funding across district courts	\$3,841,205	\$3,841,205	\$0	\$0
Juvenile and Domestic Relations District Courts - Total Proposed Budget Changes	\$3,841,205	\$3,841,205	\$0	\$0
Supreme Court				
Implement new enterprise resource planning system	\$1,000,000	\$2,500,000	\$0	\$0
Increase funding for specialty dockets	\$750,000	\$1,500,000	\$0	\$0
Supreme Court - Total Proposed Budget Changes	\$1,750,000	\$4,000,000	\$0	\$0
Judicial - Total Proposed Budget Changes	\$117,497,352	\$119,747,352	\$2,138,658	\$2,138,658
Labor				
Department of Labor and Industry				
Remove Registered Apprenticeship federal funds and positions	\$0	\$0	(\$556,938)	(\$556,938)
Realize savings from field office consolidation	(\$41,842)	(\$41,842)	\$0	\$0
Remove Registered Apprenticeship general funds and positions	(\$2,016,058)	(\$2,016,058)	\$0	\$0
Department of Labor and Industry - Total Proposed Budget Changes	(\$2,057,900)	(\$2,057,900)	(\$556,938)	(\$556,938)
Department of Professional and Occupational Regulation				
Maintain legacy information technology systems and public outreach	\$0	\$0	\$856,300	\$856,300
Replace existing mission critical systems	\$0	\$0	\$5,163,620	\$1,521,514
Department of Professional and Occupational Regulation - Total Proposed Budget Changes	\$0	\$0	\$6,019,920	\$2,377,814
Department of Workforce Development and Advancement				
Support establishment of the new Department of Workforce Development and Advancement	\$3,201,000	\$0	\$0	\$0
Establish the Department of Workforce Development and Advancement	\$2,016,058	\$2,016,058	\$128,329,413	\$128,329,413
Continue funding the Hampton Roads Skilled Trades Rapid On-ramp Network for Growth	\$2,000,000	\$2,000,000	\$0	\$0
Establish apprenticeship grant program	\$2,000,000	\$2,000,000	\$0	\$0
Provide funding for Healthcare Workforce Training System	\$1,000,000	\$0	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Department of Workforce Development and Advancement - Total Proposed Budget Changes	\$10,217,058	\$6,016,058	\$128,329,413	\$128,329,413
Secretary of Labor				
Provide funding for additional staff and resources	\$130,000	\$130,000	\$0	\$0
Secretary of Labor - Total Proposed Budget Changes	\$130,000	\$130,000	\$0	\$0
Virginia Employment Commission				
Authorize a fee structure to address administrative costs	\$0	\$0	\$0	\$0
Amend language to ensure federal conformity	\$0	\$0	\$0	\$0
Authorize a line of credit for the Virginia Employment Commission	\$0	\$0	\$0	\$0
Transfer funds and positions to Department of Workforce Development and Advancement	\$0	\$0	(\$74,478,784)	(\$74,478,784)
Shift appropriation between service areas	\$0	\$0	\$0	\$0
Virginia Employment Commission - Total Proposed Budget Changes	\$0	\$0	(\$74,478,784)	(\$74,478,784)
Labor - Total Proposed Budget Changes	\$8,289,158	\$4,088,158	\$59,313,611	\$55,671,505

Natural and Historic Resources

Department of Conservation and Recreation

Funding for the Virginia Agricultural Cost Share and nonpoint source pollution programs	\$138,076,028	\$0	\$63,000,000	\$0
Increase funding for the Virginia Community Flood Preparedness Fund	\$100,000,000	\$0	\$0	\$0
Assist the Norfolk Coastal Storm Risk Management Project	\$73,850,000	\$0	\$0	\$0
Provide additional funding for the Resilient Virginia Revolving Loan Fund	\$25,000,000	\$0	\$0	\$0
Provide additional funding to the Dam Safety, Flood Prevention and Protection Assistance Fund	\$5,000,000	\$0	\$0	\$0
Fund emergency vehicle and equipment needs	\$1,430,000	\$38,000	\$0	\$0
Support the development of Culpeper Battlefields State Park	\$1,279,509	\$965,169	\$0	\$0
Fund operations of Hayfields State Park	\$1,121,557	\$783,004	\$0	\$0
Fund additional law enforcement positions	\$772,000	\$662,000	\$0	\$0
Increase support for the dam safety program	\$642,446	\$522,446	\$642,446	\$522,446
Provide start-up operations at Clinch River State Park	\$323,122	\$275,970	\$0	\$0
Increase funding for Breaks Interstate Park	\$285,000	\$285,000	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Fund a study on the potential acquisition and development of Oak Hill	\$150,000	\$0	\$0	\$0
Increase funding related to district support services	\$97,000	\$97,000	\$0	\$0
Offset revenue impact from free admission to state parks for Virginia National Guard members	\$20,000	\$20,000	\$0	\$0
Shifting of certain cost-share funds to technical assistance funds	\$0	\$0	\$0	\$0
Reduce appropriation to the Water Quality Improvement Reserve Fund	(\$1,000,000)	(\$1,000,000)	\$0	\$0
Department of Conservation and Recreation - Total Proposed Budget Changes	\$347,046,662	\$2,648,589	\$63,642,446	\$522,446
Department of Environmental Quality				
Provide additional funding for the Richmond Combined Sewer Overflow project	\$50,000,000	\$0	\$0	\$0
Support Bristol landfill remediation	\$35,000,000	\$0	\$0	\$0
Enhance Chesapeake Bay monitoring and assessment efforts	\$4,385,000	\$4,135,000	\$0	\$0
Support air permitting program	\$675,000	\$675,000	\$0	\$0
Increase technical evaluation capacity in groundwater permitting	\$400,000	\$400,000	\$0	\$0
Align nongeneral fund appropriation to anticipated expenditures	\$0	\$0	\$2,150,041	\$2,150,041
Update legacy Virginia Clean Water Revolving Loan Fund appropriation	\$0	\$0	\$1,887,159	\$1,887,159
Transfer general fund appropriation between programs for accurate accounting	\$0	\$0	\$0	\$0
Rightsize funding for Clean Water Revolving Loan Fund match	(\$1,500,000)	(\$1,500,000)	\$0	\$0
Department of Environmental Quality - Total Proposed Budget Changes	\$88,960,000	\$3,710,000	\$4,037,200	\$4,037,200
Department of Historic Resources				
Create a capital grant program to celebrate the country's Semiquincentennial	\$35,000,000	\$0	\$0	\$0
Increase appropriation for the Virginia Battlefield Preservation Fund	\$5,000,000	\$0	\$0	\$0
Increase funding for the Black, Indigenous, and People of Color Preservation Fund	\$1,000,000	\$0	\$0	\$0
Fund additional finance positions	\$286,396	\$286,396	\$0	\$0
Fund additional position for Deputy Director of Preservation Programs	\$189,890	\$189,890	\$0	\$0
Modify Black, Indigenous, and People of Color Historic Preservation Fund Appropriation Act language	\$0	\$0	\$0	\$0
Increase appropriation for indirect cost recoveries	\$0	\$0	\$75,000	\$75,000

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Department of Historic Resources - Total Proposed Budget Changes	\$41,476,286	\$476,286	\$75,000	\$75,000
Department of Wildlife Resources				
Support freshwater mussel restoration capacity increase	\$0	\$0	\$2,000,000	\$0
Increase federal appropriation for wildlife restoration	\$0	\$0	\$2,673,944	\$2,673,944
Address salary compression among law enforcement positions	\$0	\$0	\$684,600	\$684,600
Department of Wildlife Resources - Total Proposed Budget Changes	\$0	\$0	\$5,358,544	\$3,358,544
Marine Resources Commission				
Provide funding to address salary compression in law enforcement	\$709,583	\$709,583	\$0	\$0
Support oyster replenishment	\$0	\$0	\$3,000,000	\$0
Remove unused funding for outboard motors	(\$14,710)	(\$14,710)	\$0	\$0
Transfer ongoing operating expenses to the Waterways Improvement Fund	(\$387,265)	(\$387,265)	\$387,265	\$387,265
Align oyster restoration funding to annual expenditures	(\$500,000)	(\$500,000)	\$0	\$0
Marine Resources Commission - Total Proposed Budget Changes	(\$192,392)	(\$192,392)	\$3,387,265	\$387,265
Secretary of Natural and Historic Resources				
Cap the amount of the Water Quality Improvement Fund Reserve	\$0	\$0	\$0	\$0
Secretary of Natural and Historic Resources - Total Proposed Budget Changes	\$0	\$0	\$0	\$0
Natural and Historic Resources - Total Proposed Budget Changes	\$477,290,556	\$6,642,483	\$76,500,455	\$8,380,455
Public Safety and Homeland Security				
Commonwealth's Attorneys' Services Council				
Provide one-time general fund appropriation for the initial licensing fee for a file sharing software	\$7,335	\$0	\$0	\$0
Commonwealth's Attorneys' Services Council - Total Proposed Budget Changes	\$7,335	\$0	\$0	\$0
Department of Corrections				
Transition Lawrenceville Correctional Center to state management	\$24,492,805	\$18,371,372	\$0	\$0
Fund a career progression program for correctional officers	\$9,459,514	\$9,459,514	\$0	\$0
Supplement funding to address increased operational costs	\$4,000,000	\$4,000,000	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Provide funding for additional full-body scanners	\$3,461,940	\$683,024	\$0	\$0
Raise funded salaries for vacant security positions that were not included in 2022	\$2,918,065	\$2,918,065	\$0	\$0
Support medical transport services in Sussex County	\$500,000	\$500,000	\$0	\$0
Provide funding for 2024 Session legislation that may impact need for prison beds	\$440,184	\$0	\$0	\$0
Fund the state share of a project to upgrade security systems at Franklin County Jail	\$32,401	\$0	\$0	\$0
Redistribute funds in medical programs	\$0	\$0	\$0	\$0
Provide nongeneral fund appropriation for agency's line of credit	\$0	\$0	\$1,000,000	\$1,000,000
Increase nongeneral fund appropriation for the State Criminal Alien Assistance Program (SCAPP)	\$0	\$0	\$1,379,000	\$1,379,000
Increase nongeneral fund appropriation for the Corrections Construction Unit	\$0	\$0	\$1,900,000	\$1,900,000
Convert positions from the Drug Offender Assessment Fund to the general fund	\$0	\$0	\$0	\$0
Recognize savings from Department of Motor Vehicles Connect program	(\$200,000)	(\$200,000)	\$0	\$0
Recognize savings from administrative efficiencies	(\$1,000,000)	(\$1,000,000)	\$0	\$0
Recognize savings from the closure of the Stafford Community Corrections Alternative Program (CCAP)	(\$1,841,549)	(\$3,400,000)	\$0	\$0
Recognize savings from the closure of Haynesville Field Unit	(\$2,671,569)	(\$2,671,569)	\$0	\$0
Capture savings associated with the closure of Sussex II State Prison	(\$24,388,484)	(\$27,782,350)	\$0	\$0
Capture savings from closing Augusta Correctional Center	(\$24,746,224)	(\$31,129,571)	\$0	\$0
Department of Corrections - Total Proposed Budget Changes	(\$9,542,917)	(\$30,251,515)	\$4,279,000	\$4,279,000
Department of Criminal Justice Services				
Establish a law enforcement recruitment and wellness program	\$18,000,000	\$0	\$0	\$0
Provide additional funding for the Victim-Witness Grant Program	\$2,400,000	\$4,800,000	\$0	\$0
Increase aid to prevent hate crimes	\$2,000,000	\$0	\$0	\$0
Replace Credentialing Management System	\$500,000	\$0	\$0	\$0
Provide funding for sexual assault and domestic violence programs	\$0	\$3,500,000	\$0	\$0
Reduce authorized position level	\$0	\$0	\$0	\$0
Remove funding for a vacant position	(\$113,790)	(\$113,790)	\$0	\$0
Department of Criminal Justice Services - Total Proposed Budget Changes	\$22,786,210	\$8,186,210	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Department of Emergency Management				
Provide funding for Disaster Logistics Support and Coordination Center	\$1,087,635	\$1,087,635	\$0	\$0
Department of Emergency Management - Total Proposed Budget Changes	\$1,087,635	\$1,087,635	\$0	\$0
Department of Fire Programs				
Increase general fund appropriation for the State Fire Marshal's Office	\$434,000	\$434,000	\$0	\$0
Add five nongeneral fund positions to support fire program operations	\$0	\$0	\$0	\$0
Increase nongeneral fund appropriation for Fire Programs Fund	\$0	\$0	\$14,997,771	\$18,271,883
Transfer nongeneral fund appropriation to align with operations	\$0	\$0	\$0	\$0
Department of Fire Programs - Total Proposed Budget Changes	\$434,000	\$434,000	\$14,997,771	\$18,271,883
Department of Forensic Science				
Fund increase in staffing for Forensic Biology (DNA) Section	\$278,026	\$353,976	\$0	\$0
Fund increase in staffing and oversight for Evidence Receiving Section	\$225,548	\$225,548	\$0	\$0
Fund strangulation kits and DNA forensic scientist position	\$119,333	\$163,442	\$0	\$0
Fund tools used to unlock mobile cellular devices	\$107,770	\$107,770	\$0	\$0
Reclassify positions to align with fund source	\$0	\$0	\$0	\$0
Department of Forensic Science - Total Proposed Budget Changes	\$730,677	\$850,736	\$0	\$0
Department of Juvenile Justice				
Align nongeneral fund appropriation and positions with administrative priorities	\$0	\$0	(\$1,218,536)	(\$1,218,536)
Align general fund appropriation and positions to program operations	\$0	\$0	\$0	\$0
Capture administrative efficiency savings	(\$750,000)	(\$750,000)	\$0	\$0
Department of Juvenile Justice - Total Proposed Budget Changes	(\$750,000)	(\$750,000)	(\$1,218,536)	(\$1,218,536)
Department of State Police				
Address salary compression for sworn positions	\$3,000,851	\$3,006,909	\$0	\$0
Fund the purchase of three airplanes	\$1,640,946	\$1,620,857	\$0	\$0
Provide positions and general fund support for the Virginia State Police Fusion Center	\$522,637	\$589,459	\$0	\$0
Provide funding for proposed legislation	\$306,433	\$365,792	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Provide funding for Campus Safety Coordinator	\$114,095	\$136,915	\$0	\$0
Provide general fund support for the Med-Flight program	\$0	\$770,800	\$0	\$0
Align general fund appropriation to accurately reflect expenditure patterns	\$0	\$0	\$0	\$0
Replace Virginia Criminal Information Network's (VCIN) Hot File applications	\$0	\$0	\$2,025,000	\$0
Align general and nongeneral funds with appropriate program	\$0	\$0	\$0	\$0
Increase nongeneral fund appropriation levels for the Insurance Fraud Fund	\$0	\$0	\$800,000	\$800,000
Increase nongeneral fund appropriation levels for the Help Eliminate Auto Theft (HEAT) Fund	\$0	\$0	\$1,200,000	\$1,200,000
Increase nongeneral fund appropriation levels for the eSummons Fund	\$0	\$0	\$575,000	\$575,000
Increase nongeneral fund appropriation	\$0	\$0	\$7,500,000	\$7,500,000
Capture savings from the Information Exchange Program	(\$99,479)	(\$99,479)	\$0	\$0
Capture savings from retired debt service	(\$620,371)	(\$620,371)	\$0	\$0
Department of State Police - Total Proposed Budget Changes	\$4,865,112	\$5,770,882	\$12,100,000	\$10,075,000
Secretary of Public Safety and Homeland Security				
Removes discretionary spending related to a study	(\$500,000)	(\$500,000)	\$0	\$0
Secretary of Public Safety and Homeland Security - Total Proposed Budget Changes	(\$500,000)	(\$500,000)	\$0	\$0
Virginia Alcoholic Beverage Control Authority				
Increase appropriation for new stores	\$0	\$0	\$563,478	\$1,690,433
Increase appropriation for sales growth	\$0	\$0	\$0	\$48,912,707
Virginia Alcoholic Beverage Control Authority - Total Proposed Budget Changes	\$0	\$0	\$563,478	\$50,603,140
Virginia Cannabis Control Authority				
Adjust appropriation for centrally funded five percent salary increase for state employees	\$55,105	\$55,105	\$0	\$0
Reduce authorized position level	\$0	\$0	\$0	\$0
Increase nongeneral fund appropriation for the Medical Cannabis Program	\$0	\$0	\$908,818	\$908,818
Transfer Medical Cannabis Program language from the Department of Health Professions	\$0	\$0	\$0	\$0
Recognize savings from administrative efficiencies	(\$1,000,000)	(\$1,000,000)	\$0	\$0

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Virginia Cannabis Control Authority - Total Proposed Budget Changes	(\$944,895)	(\$944,895)	\$908,818	\$908,818
Public Safety and Homeland Security - Total Proposed Budget Changes	\$18,173,157	(\$16,116,947)	\$31,630,531	\$82,919,305
Transportation				
Department of Aviation				
Study airport infrastructure needs and emerging technologies	\$0	\$0	\$350,000	\$0
Adjust appropriation for lease payments	\$0	\$0	\$87,120	\$87,120
Adjust agency operating plan	\$0	\$0	\$0	\$0
Acquire aviation educational equipment	\$0	\$0	\$0	\$350,000
Department of Aviation - Total Proposed Budget Changes	\$0	\$0	\$437,120	\$437,120
Department of Motor Vehicles				
Adjust appropriation for Washington Metropolitan Area Transit Commission payment	\$0	\$0	\$43,483	\$43,483
Reallocate existing appropriation	\$0	\$0	\$0	\$0
Department of Motor Vehicles - Total Proposed Budget Changes	\$0	\$0	\$43,483	\$43,483
Department of Rail and Public Transportation				
Adjust mass transit appropriation to match anticipated revenues	\$0	\$0	\$97,732,268	\$109,856,621
Establish requirements for Washington Metropolitan Area Transit Authority operating assistance increase	\$0	\$0	\$0	\$0
Department of Rail and Public Transportation - Total Proposed Budget Changes	\$0	\$0	\$97,732,268	\$109,856,621
Department of Transportation				
Accelerate Interstate 81 corridor project	\$70,000,000	\$0	\$0	\$0
Provide additional funding for the Transportation Partnership Opportunity Fund	\$20,000,000	\$0	\$0	\$0
Adjust appropriation based on new revenue estimate and program adjustments	\$0	\$0	(\$135,079,491)	(\$235,116,926)
Adjust appropriation to reflect agency operations	\$0	\$0	\$328,263	\$336,451
Adjust appropriation to reflect financial plan	\$0	\$0	(\$134,587,849)	(\$482,056,212)
Direct the allocation of certain revenues to the Transportation Partnership Opportunity Fund	\$0	\$0	\$0	\$0
Department of Transportation - Total Proposed Budget Changes	\$90,000,000	\$0	(\$269,339,077)	(\$716,836,687)

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Department of Transportation Transfer Payments				
Adjust appropriation to reflect financial plan	\$0	\$0	\$87,667,135	\$116,276,944
Adjust appropriation based on new revenue estimates to support regional transportation programs	\$0	\$0	(\$107,406,160)	(\$54,607,946)
Adjust agency operating plan	\$0	\$0	(\$328,263)	(\$336,451)
Department of Transportation Transfer Payments - Total Proposed Budget Changes	\$0	\$0	(\$20,067,288)	\$61,332,547
Motor Vehicle Dealer Board				
Increase appropriation to reflect rent increase	\$0	\$0	\$35,623	\$39,829
Motor Vehicle Dealer Board - Total Proposed Budget Changes	\$0	\$0	\$35,623	\$39,829
Secretary of Transportation				
Update language on use of Grant Anticipation Revenue Vehicle (GARVEE) bonds	\$0	\$0	\$0	\$0
Secretary of Transportation - Total Proposed Budget Changes	\$0	\$0	\$0	\$0
Virginia Commercial Space Flight Authority				
Increase appropriation to match anticipated revenues	\$0	\$0	\$1,333,563	\$1,840,434
Virginia Commercial Space Flight Authority - Total Proposed Budget Changes	\$0	\$0	\$1,333,563	\$1,840,434
Virginia Passenger Rail Authority				
Adjust appropriation based on new revenue estimates	\$0	\$0	\$44,234,298	\$94,669,721
Clarify authority for administrative appropriation adjustments	\$0	\$0	\$0	\$0
Virginia Passenger Rail Authority - Total Proposed Budget Changes	\$0	\$0	\$44,234,298	\$94,669,721
Virginia Port Authority				
Support the Virginia Port Volume Increase Grant Program	\$500,000	\$1,000,000	\$0	\$0
Support the Virginia Barge and Rail Usage Grant Program	\$250,000	\$500,000	\$0	\$0
Support the Port of Virginia Economic Development Grant Program	\$0	\$0	\$0	\$0
Increase appropriation for estimated rent escalations	\$0	\$0	\$7,200,000	\$13,200,000
Establish appropriation for the Port Opportunity Fund	\$0	\$0	\$8,000,000	\$8,000,000
Update existing debt service requirements	\$0	\$0	(\$27,214,944)	(\$27,214,944)
Virginia Port Authority - Total Proposed Budget Changes	\$750,000	\$1,500,000	(\$12,014,944)	(\$6,014,944)

	FY 2025 GF	FY 2026 GF	FY 2025 NGF	FY 2026 NGF
Transportation - Total Proposed Budget Changes	\$90,750,000	\$1,500,000	(\$157,604,954)	(\$454,631,876)
Veterans and Defense Affairs				
Department of Military Affairs				
Provide general fund support for the development of a Cash Management System (CMS) Software	\$845,000	\$384,000	\$0	\$0
Provide mandatory carryforward authority for the National Guard Higher Education Student Financial Assistance Program	\$0	\$0	\$0	\$0
Add a line of credit for authorized capital projects eligible for federal reimbursement	\$0	\$0	\$0	\$0
Department of Military Affairs - Total Proposed Budget Changes	\$845,000	\$384,000	\$0	\$0
Department of Veterans Services				
Support start-up operations for Jones & Cabacoy and Puller Veterans Care Centers	\$30,500,000	\$0	\$0	\$0
Provide general fund appropriation for veteran self-service portal	\$750,000	\$150,000	\$0	\$0
Provide funding for Military Women's Memorial	\$500,000	\$0	\$0	\$0
Provide general fund appropriation to create virtual service center	\$427,914	\$266,820	\$0	\$0
Provide funding to support the Partnership for Petersburg Initiative.	\$398,660	\$404,841	\$0	\$0
Provide appropriation to procure software	\$46,400	\$35,400	\$0	\$0
Provide funding to procure digital signature and document software	\$42,870	\$32,870	\$0	\$0
Increase nongeneral fund appropriation	\$0	\$0	\$53,500	\$53,500
Increase nongeneral fund appropriation for care centers	\$0	\$0	\$3,000,000	\$3,000,000
Remove mandatory carryforward language	\$0	\$0	\$0	\$0
Aligns positions and general fund appropriation into appropriate programs	\$0	\$0	\$0	\$0
Department of Veterans Services - Total Proposed Budget Changes	\$32,665,844	\$889,931	\$3,053,500	\$3,053,500
Veterans Services Foundation				
Increase nongeneral fund appropriation	\$0	\$0	\$53,500	\$53,500
Veterans Services Foundation - Total Proposed Budget Changes	\$0	\$0	\$53,500	\$53,500
Veterans and Defense Affairs - Total Proposed Budget Changes	\$33,510,844	\$1,273,931	\$3,107,000	\$3,107,000

HB 30/SB 30
APPENDIX F

2024-26 Capital Outlay

**DETAIL OF HB 30 / SB 30 - CAPITAL OUTLAY
2024-2026 Biennium**

Title	General Fund Supported			Nongeneral Fund Supported			Total
	GF Cash	VCBA Bonds	VPBA Bonds	NGF Cash	\$ 9(c) Bonds	\$ 9(d) Bonds	
General Conditions							
Exempt Six-Year Capital Outlay Plan Advisory Committee communications from Freedom of Information Act							Language
Six-Year Capital Outlay Plan Advisory Committee Meeting Requirements							Language
Adjust submission requirements for the Six-Year Capital Outlay Plan Report							Language
Adjust language authorizing transfer of bonds between capital pools							Language
Reassess projects that have not proceeded with construction within five years							Language
Administration							
Department of General Services							
Renovate and repair Fort Monroe	50,000,000						50,000,000
Renovate Office Space for James Monroe Building tenants and demolish Monroe Building	50,000,000						50,000,000
Reassess space needs for the Supreme Court and the Court of Appeals							Language
Total: Office of Administration	\$100,000,000	\$0	\$0	\$0	\$0	\$0	\$100,000,000
Education							
William & Mary							
Supplement Renovate Dormitories project					5,000,000		5,000,000
George Mason University							
Aggregate Critical Deferred Maintenance		12,000,000					12,000,000
James Madison							
Blanket Property Acquisition				3,000,000			3,000,000
Renovate Spotswood Hall					23,820,000		23,820,000
Norfolk State University							
Improve Campus Infrastructure		14,064,327					14,064,327
Old Dominion University							
Address deferred maintenance		12,000,000					12,000,000
Radford University							
Address Deferred Maintenance		8,000,000					8,000,000
University of Mary Washington							
Address Deferred Maintenance		5,500,000					5,500,000
University of Virginia							
Address deferred maintenance		12,000,000					12,000,000
UVA's College at Wise							
Address deferred maintenance		1,500,000					1,500,000
Virginia Commonwealth University							
Construct New School of Dentistry				5,200,000			5,200,000
Address deferred maintenance		12,000,000					12,000,000
Virginia Community College System							
Address Deferred Maintenance		24,000,000					24,000,000
Virginia Military Institute							
Renovate Crozet Hall				46,851,725			46,851,725
Renovate Patchin Field Soccer & Lacrosse Stadium and Paulette Hall				21,706,757			21,706,757
Virginia Tech							
Improve Campus Accessibility		8,000,000					8,000,000
Virginia State University							
Construct New Student Housing					95,465,000		95,465,000
Improve South Entrance and Campus Security		12,000,000					12,000,000
Virginia State - Cooperative Extension							
Renovate Wilder Cooperative Extension Building				5,875,000			5,875,000
Total: Office of Education	\$0	\$121,064,327	\$0	\$82,633,482	\$124,285,000	\$0	\$327,982,809

**DETAIL OF HB 30 / SB 30 - CAPITAL OUTLAY
2024-2026 Biennium**

Title	General Fund Supported			Nongeneral Fund Supported			Total
	GF Cash	VCBA Bonds	VPBA Bonds	NGF Cash	\$ 9(c) Bonds	\$ 9(d) Bonds	
Health & Human Resources							
Department of Behavioral Health and Developmental Services							
Improve safety and security at Eastern State Hospital			24,340,860				24,340,860
Renovate, repair, and upgrade state-operated facilities	35,000,000						35,000,000
Total: Office of Human Resources	\$35,000,000	\$0	\$24,340,860	\$0	\$0	\$0	\$59,340,860
Natural and Historic Resources							
Department of Conservation & Recreation							
Update list of natural area preserve acquisitions						Language	
Acquisition of land for state parks				2,660,000			2,660,000
Address climate control in state park yurts			1,600,000				1,600,000
Underground Storage Tanks (UST) Replacement			3,000,000				3,000,000
Protect and expand Buffalo Mountain Natural Area Preserve			3,500,000				3,500,000
Department of Wildlife Resources							
Acquire Land and Property				10,000,000			10,000,000
Total: Office of Natural Resources	\$0	\$0	\$8,100,000	\$12,660,000	\$0	\$0	\$20,760,000
Public Safety and Homeland Security							
Department of Corrections							
Coffeewood Water Treatment Plant Upgrade						Language	
Capital Infrastructure Fund		0	15,000,000				15,000,000
Total: Office of Public Safety	\$0	\$0	\$15,000,000	\$0	\$0	\$0	\$15,000,000
Veterans and Defense Affairs							
Department of Veterans Services							
Expand Suffolk Veterans Cemetery						Language	
Department of Military Affairs							
Provide federal fund appropriation for maintenance reserve projects				2,000,000			2,000,000
Construct Indoor Small Arms Firing Range and Military-Owned Vehicle Parking Lot at				30,000,000			30,000,000
Improve Readiness Centers			3,000,000	9,000,000			12,000,000
Construct Microgrid Emergency Backup Generator at the State Military Reservation				49,343,135			49,343,135
Convert Southwest Virginia Readiness Center to a Regional Field Maintenance Shop				6,367,100			6,367,100
Total: Veterans and Defense Affairs	\$0	\$0	\$3,000,000	\$96,710,235	\$0	\$0	\$99,710,235
Transportation							
Department of Motor Vehicles							
Maintenance Reserve				2,000,000			2,000,000
Renovate DMV Headquarters				14,844,060			14,844,060
Department of Transportation							
Maintenance Reserve				10,000,000			10,000,000
Continue to Acquire, Design, Construct and Renovate Agency Facilities	94,840			70,000,000			70,094,840
Virginia Port Authority							
Cargo Handling Facilities				223,000,000			223,000,000
Expand Empty Yard				223,000,000			223,000,000
Maintain Berths and Wharfs				12,200,000			12,200,000
Total: Office of Transportation	\$94,840	\$0	\$0	\$555,044,060	\$0	\$0	\$555,138,900
Central Appropriations							
Central Capital Outlay							
Maintenance Reserve	404,000,000						404,000,000
Capital Equipment Funding	81,341,000						81,341,000
Detail Planning Pool	24,000,000			2,623,000			26,623,000

**DETAIL OF HB 30 / SB 30 - CAPITAL OUTLAY
2024-2026 Biennium**

Title	General Fund Supported			Nongeneral Fund Supported			Total
	GF Cash	VCBA Bonds	VPBA Bonds	NGF Cash	\$ 9(c) Bonds	\$ 9(d) Bonds	
2024 Public Educational Institution Capital Pool		70,527,745		222,285		9,332,955	80,082,985
2022 State Agency Capital Pool - State Police Training Academy			50,000,000				50,000,000
2024 State Agency Capital Pool			42,910,836				42,910,836
2022 Capital Supplement Pool	250,000,000						250,000,000
Workforce Development Projects - Tech Talent	22,153,969						22,153,969
Lease and Financed Purchase Authorizations (Item C-54 & Section 4-3.03)							Language
Redirect balances from completed or cancelled standalone projects							Language
Capital Funding Framework (Section 4-3.03)							Language
Total: Central Appropriations	\$781,494,969	\$70,527,745	\$92,910,836	\$2,845,285	\$0	\$9,332,955	\$957,111,790
Total: Capital Outlay HB 1400 / SB 800	\$916,589,809	\$191,592,072	\$143,351,696	\$749,893,062	\$124,285,000	\$9,332,955	\$2,135,044,594