

Key Features – Amendments to House Bill 30
Conference Report
June 22, 2026

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Resources

- General fund resources total \$38.7 billion in FY 2027 and \$36.6 billion in FY 2028 with general fund spending of \$38.6 billion in FY 2027 and \$36.5 billion in FY 2028.
 - Total Conference GF resources of \$4.3 billion includes the \$305.4 million unappropriated balance as introduced in HB 30, \$191.7 million increase to the carryforward balance in Chapter 7, \$1.5 billion in GF reforecast revenue, net \$2.0 billion increase in GF revenue from assumed policy actions, and \$257.1 million increase in balances and transfers to the general fund.
 - Net additional GF operating and capital spending above the introduced budget totals \$3.1 billion in FY 2027 and \$1.0 billion in FY 2028.
 - The biennial unappropriated balance is \$179.9 million.
- Major tax-related GF revenue actions include:
 - A reduction of \$51.0 million in FY 2027 and \$120.0 million in FY 2028 to increase the state standard deduction from \$8,750 to \$9,200 for single filers and from \$17,500 to \$18,400 for joint filers in tax year 2027 and an increase in tax year 2028 to \$9,300 and \$18,600.
 - Extends the standard deduction and earned income tax credit sunset date to January 1, 2030.
 - Imposes an additional electricity consumption tax at a rate of \$0.011/kWh for all electricity consumed at each data center per month, which is estimated to generate \$600.0 million GF each fiscal year.

Commerce & Trade and Labor

- Provides an additional \$60.0 million GF the first year for housing initiatives, including \$40.0 million to the Housing Trust Fund and directs \$20.0 million to a two-year pilot for acquisition, construction, or improvement of mixed-income housing.
- Reserves \$25.0 million NGF for weatherization efforts, based on the recommendations of the Income-Qualified Energy Efficiency and Weatherization Task Force as established by legislation in the 2026 Session.
- Includes additional support of \$10.0 million GF the first year for the Virginia Business Ready Sites Program and transfers the balance of the Virginia Business Ready Sites Acquisition Fund to the general fund.
- Provides an additional \$11.5 million GF the first year for eviction prevention and diversion programs that link social services and legal aid resources to prevent homelessness.
- Includes \$10.1 million GF over the biennium for the administration and enforcement of various changes in labor laws in the Commonwealth.
- Includes capturing \$3.9 million GF each year in interest earnings from Commerce and Trade authorities based on an approximate yearly interest earnings calculation.
- Provides \$5.0 million GF the first year for the Virginia Sports Tourism Incentive Grant Program.
- Includes \$10.0 million GF over the biennium to support the Virginia Clean Energy Innovation Bank to accelerate the deployment of clean

energy projects, greenhouse gas emissions reduction projects, and other qualified projects.

Public Education

Direct Aid

- Provides a net increase of \$579.0 million GF in rebenchmarking and technical updates over the biennium.
- Provides \$770.8 million GF over the biennium to support a 4.0 percent salary increase each year for funded instructional and support positions.
- Endorses \$274.0 million NGF the first year and \$25.0 million NGF the second year to increase support for school construction. The action:
 - Updates the School Construction Fund amount supporting the School Construction Assistance Program grants to reflect an additional \$127.0 million of actual revenue and projected casino revenue; and
 - Appropriates \$172.0 million from the Literary Fund for deposit to the School Construction Fund in support of school construction grants.
- Provides a one-time increase of Literary Fund support for school employee retirement contributions of \$285.0 million over the biennium, creating a corresponding decrease in GF spending.
- Increases the At-Risk Add-On by \$28.9 million GF over the biennium.

- Provides \$60.0 million GF the first year to raise the Infrastructure and Operations per pupil amount (reflected as a swap out for NGF).
- Provides \$17.6 million GF across the biennium to increase the school breakfast reimbursement rate by \$0.22 per meal, raising the total reimbursement rate to \$0.50 per meal.
- Recognizes an additional \$10.0 million in the first year from the Lottery Proceeds Fund from FY 2026 residuals, resulting in GF savings of a like amount.
- Provides \$148.4 million GF across the biennium to increase the special education add-on to 5.25 percent for students receiving Level I services and 17.5 percent for students receiving Level II services.
- Adjusts sales tax based on the revenue reforecast, resulting in an increase of \$17.7 million GF over the biennium going to public schools. In addition, an increase of \$2.6 million GF the second year reflects sales tax revenue as a result of policy change.
- Includes \$71.0 million GF the first year and \$66.6 million GF the second year to support additional Child Care Subsidy Program slots with nonparticipation savings from the Virginia Preschool Initiative.
- Includes \$25.0 million GF in the first year for the Employee Child Care Assistance Program, in line with legislation passed by the General Assembly.

Virginia Department of Education

- Provides \$2.0 million GF across the biennium to provide ongoing support for Virginia Individualized Education Program (IEP) system enhancements.

- Includes \$1.3 million GF across the biennium to support the work of the Joint Subcommittee for Elementary and Secondary Education.

Virginia School for the Deaf and the Blind

- Provides \$2.2 million GF each year and 27.0 positions to support enrollment growth and increased operating expenses at the Virginia School for the Deaf and the Blind.

Other Education

- Includes \$2.2 million GF and \$6.5 million NGF across the biennium for the Science Museum of Virginia to support start-up and ongoing operations costs at the Northern Virginia Science Center.
- Provides \$1.0 million GF and \$258,064 NGF across the biennium for the Virginia Museum of Fine Arts to support increased information technology, security personnel, and utility costs.
- Includes \$1.0 million GF each year in state aid to local public libraries.

Higher Education

Institutions

- Includes \$110.0 million GF over the biennium to support operations at the institutions and minimize potential tuition increases for in-state undergraduate students.
- Provides \$65.0 million GF over the biennium for undergraduate need-based financial aid.

- Includes \$20.0 million GF the second year to support one-time efforts to align public higher education institutions' operations to projected enrollment.
- Provides support totaling \$7.6 million GF over the biennium for nursing education programs at James Madison University, Radford University, and the University of Mary Washington.
- Includes \$50.0 million GF to expand the ongoing public-private HBCU collaboration with Norfolk State University, Virginia State University, Hampton University, and Virginia Union University.
- Adds \$20.0 million GF to support one-time efforts to expand career and technical and workforce development programs across the community college system.

State Council of Higher Education for Virginia

- Provides \$73.2 million GF over the biennium and \$6.8 million NGF the first year to increase funding for the Workforce Credential Grant Program. NGF funds are transferred from Virginia Community College System balances.
- Includes an additional \$15.4 million GF over the biennium for the Tuition Assistance Grant to maintain awards for the projected increase in the number of eligible students.

Health and Human Resources

Medicaid and Children's Health Insurance

- Includes \$2.8 billion GF over the biennium to fund the Medicaid program based on the most recent forecast of expenditures.

- Adopts \$581.6 million GF savings over the biennium to reflect the impact of various Medicaid savings strategies.
- Restores \$29.5 million GF in savings that provide limited emergency Medicaid coverage of maternity services for women who do not qualify for Medicaid solely based on their citizenship status.
- Includes \$93.6 million GF over the biennium to reflect lower revenue estimates for the Health Care Fund, which is used as the state match for Medicaid.
- Includes a \$350.0 million GF reserve over the biennium to hedge against increasing Medicaid costs.
- Provides \$80.1 million GF over the biennium to the Family Access to Medical Insurance Security (FAMIS) program based on the latest spending forecast.
- Provides \$81.7 million GF over the biennium to increase rates for developmental disability waiver services pursuant to the permanent injunction with the U.S. Department of Justice.
- Adds \$44.3 million GF the second year to fund an increase in rates for personal, respite, and companion care services.
- Provides \$35.0 million GF the first year to increase funding for nursing facilities.
- Includes language delaying the implementation of redesigned behavioral health services until July 1, 2027.
- Adds language delaying the implementation of a single pharmacy benefit manager system until January 1, 2028.

Children's Services Act

- Adopts \$136.1 million GF over the biennium for the Children's Services Act forecast, which reflects increasing caseloads and the cost of services primarily in private day special education.
 - Includes \$33.4 million GF savings over the biennium by reducing the average state match rate for community-based services from 81.0 percent to 71.0 percent by imposing a limit for private day services rate growth to 2.5 percent and removing automatic inflationary adjustments to rates for private residential treatment facilities.

Other Health and Human Resources

- Provides \$150.0 million GF the first year to fund subsidies on the individual health insurance market for households up to 250 percent of the federal poverty level to reduce the impact of coverage losses from higher premiums resulting from the expiration of the federal enhanced premium tax credits.
- Includes \$135.0 million GF the second year for the potential state match on Supplemental Nutrition Assistance Program (SNAP) benefits if the state's payment error rate is higher than 6.0 percent, per federal changes in H.R. 1.
 - Adds \$5.6 million GF over the biennium to support efforts to decrease the error rate, including \$2.4 million to fund a SNAP quality assurance team charged with finding and correcting SNAP payment errors before they affect the state's SNAP error rate, \$2.0 million for a vendor to assist in efforts to decrease the SNAP error rate, and \$1.2 million to increase SNAP Quality Control reviewer salaries.

- Provides \$142.0 million GF over the biennium for public health investments including \$50.0 million for drinking water grants, \$32.4 million for core public health services and medical facility inspector positions, \$15.1 million for the Department of Health to complete and sustain an electronic health record system, \$13.2 million to stabilize Ryan White HIV/AIDS services, \$12.1 million to bolster Sickle Cell programs and resources, \$10.0 million to support the free and charitable clinics, and \$5.0 million for community health centers.
- Provides \$100.4 million GF over the biennium to fund the increase in the state share of the SNAP administrative cost per federal changes in H.R. 1.
- Provides \$17.1 million GF over the biennium to strengthen child welfare services, including \$7.2 million to develop a centralized intake system for complaints of child abuse and neglect, provide the Department of Social Services (DSS) with proper tools to hold local departments of social services accountable for providing quality care, fund priority response for children aged three, and \$6.9 million to increase the salary minimum supporting local departments of social services family services employees.
- Adds \$11.4 million GF over the biennium to fund the remaining 13 Community Services Boards to assist in implementing Marcus Alert programs.
- Provides \$5.1 million GF over the biennium to support Area Agencies on Aging.
- Provides \$5.4 million GF over the biennium to increase slots and funding for graduate medical education residencies.

- Restores language allowing taxpayer funding for abortion services allowed under state law. (State law permits funds to be used in cases of gross fetal abnormality.)

Natural Resources, Agriculture, and Forestry

- Directs DEQ to develop and adopt regulations to address data center water usage and noise production, among other actions:
 - Requires DEQ to establish regulatory criteria for determining “Cooling Water Scarcity Areas” to minimize data center impacts on water. Established timeframes by which data centers must begin using air cooling systems, 100.0 percent recycled water and/or stormwater for cooling, or closed-loop systems. Requires DEQ to provide a plan by October 15, 2026, for retrofitting data centers in the Eastern Virginia Groundwater Management Area to use air cooling systems, 100.0 percent recycled water and/or stormwater for cooling, or closed-loop systems; and
 - Requires DEQ to adopt regulations to set noise standards for data centers. Establishes a civil penalty of up to \$32,500 per day of violations. Permits any locality to adopt more restrictive ordinances regulating noise.
- Requires 45 percent of the proceeds from RGGI to be used to provide customer credits to Phase I and Phase II utility customers in the residential, small general service, and church classes.
 - The remaining 55 percent of the revenue would be allocated consistent with the statute for RGGI proceeds.

- Provides more than \$188.0 million GF to wastewater treatment facilities in the Hampton Roads Sanitation District (HRSD) to reduce nitrogen and phosphorous loads being released to the Chesapeake Bay. HRSD's facilities provide wastewater services to approximately 1.9 million Virginians, which is more than 20.0 percent of the state's population.
- Provides \$50.0 million GF in FY 2027 for the City of Richmond Combined Sewer Overflow Project.
- Adopts \$43.5 million GF the first year to support the Stormwater Local Assistance Program for projects in localities with municipal separate storm sewer systems.
- Includes \$25.0 million GF in FY 2027 for Soil and Water Conservation District Dam repair.
- Directs DEQ to use \$10.6 million GF to immediately address potentially catastrophic environmental issues associated with liquids management of leachate and gas condensate at a privately-owned landfill in Chesterfield County. Also, requires DEQ to amend regulations governing financial assurance mechanisms for landfill closure activities and landfill inspections.
- Provides \$1.2 million GF the first year for groundwater planning, management, and research activities.

Public Safety & Veterans Affairs

- Provides \$32.3 million GF the first year and \$61.5 million GF the second year to support Department of State Police operations, including support for three 100-person trooper training schools.

- Directs the Department to provide additional information related to personnel expenditures.
- Includes \$28.9 million GF the first year and \$30.8 million GF the second year for increased inmate medical costs at the Department of Corrections.
- Includes \$18.2 million GF for additional community violence reduction grants, bringing the total to \$91.9 million over the biennium.
- Provides \$8.2 million GF for a retention bonus for employees working in Department of Corrections and Department of Juvenile Justice facilities.
- Provides \$7.5 million GF in start-up operational funding for the new Puller Veterans Care Center in addition to \$22.5 million GF in one-time start-up funding for veterans care centers provided in the previous biennium.
- Provides \$6.0 million GF to support local agencies that provide services to survivors of sexual assault and domestic violence.

Transportation

- Provides \$153.0 million GF the first year for Washington Metropolitan Area Transit Authority (WMATA) operating assistance.
- Includes \$19.0 million GF the first year for one-time capital assistance for transit systems.
- Maintains the current base of \$24.0 million GF the second year for the Elizabeth River Crossing Toll Relief Program and removes \$24.0 million GF the first year.

- Provides \$7.0 million GF the first year for the Virginia Coalfields Expressway Project.
- Provides \$20.0 million GF the first year for design development and site improvements for an inland port at the Oak Park Center for Business and Industry in Washington County, Virginia.

General Government

Employee Compensation

- Provides \$222.7 million GF the first year and \$491.5 million GF the second year to fund a 3.5 percent salary increase for state and state-supported local employees.
 - State employees would see the salary increase in their August 16 paycheck in the first year and July 1 paycheck in the second year.

State Employee Health Insurance

- Provides \$321.0 million GF the first year and \$167.8 million GF the second year to fund the employer's share of state employee health insurance premiums.
 - Includes a \$200.0 million GF deposit in the first year to replenish the state employee Health Insurance Fund.
 - Plan benefit changes include a \$150 prescription drug deductible for COVA Care, requiring use of biosimilars for certain drugs, and more stringent requirements to access weight loss drugs.

Debt Service

- Includes \$20.0 million GF in the first year and \$47.8 million GF in the second year to adjust funding for updated estimates of debt service payments.

Compensation Board (Constitutional Officers)

- Provides \$4.0 million GF for Commonwealth's Attorney offices, including increasing paralegal salaries.
- Adopts \$1.4 million GF for additional state-funded administrative positions in sheriffs' offices.

Central Appropriations

- Provides \$225.0 million GF to offset federal funding reductions on impacted state programs.
- Includes \$100.0 million GF to enhance environmental monitoring efforts.
- Provides \$93.6 million GF the first year to reduce the unfunded liabilities in the state employee retiree health credit.
- Includes \$46.7 million in GF savings the first year and \$48.8 million in GF savings the second year to reflect lower employer contribution rates for state employee retirement.
- Adopts \$24.4 million in GF savings the first year and \$25.4 million in GF savings the second year to reflect lower employer contribution rates for the other post-employment benefit programs for state employees.

Judicial

- Provides \$45.3 million GF to support recent increases in payments from the Criminal Fund, primarily to court-appointed counsel representing indigent defendants, and to increase the hourly payment rate for guardians ad litem.
- Includes \$7.4 million GF to increase support staff in public defender offices.
- Provides \$9.9 million GF for additional judgeship positions.

Other General Government

- Includes \$11.3 million GF over the biennium to fund salary adjustments for attorneys in the Office of the Attorney General to reduce turnover and to increase staffing related to the impacts of legislation.
- Provides \$3.3 million GF the first year to fund the replacement of the Department of Elections campaign finance systems.

Capital Outlay

- Provides \$3.4 billion from all funds for capital projects, including \$1.5 billion GF cash, \$1.1 billion tax-supported debt, \$112.4 million 9(d) revenue bonds, and \$739.8 million from other NGF, including:
 - \$2.0 billion for the 2026 Construction Pool, including \$732.9 million GF cash, \$1.1 billion tax-supported debt, and \$174.5 million NGF sources;
 - \$410.0 million GF cash for maintenance reserve allocations;

- \$49.3 million GF cash for equipment for projects 18 months from completion;
- \$40.0 million GF to address deferred maintenance at State Parks;
- \$40.0 million GF for air handling and ventilation in state prisons;
- \$33.0 million GF for the umbrella project to renovate and repair DBHDS facilities; and
- \$35.0 million GF to continue planning the new State Office Building and demolition of the VDOT Annex on Broad Street.