

*Joint
Conference Committee
Report on*

House Bill 1400

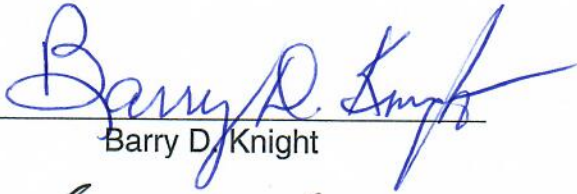
2023 Session

February 25, 2023

We, the conferees, appointed by the respective bodies to consider and report the disagreeing vote on House Bill 1400 report as follows:

- A. We recommend that the House and Senate amendments be rejected.**
- B. We recommend that House Bill 1400, as introduced, be amended as follows to resolve the matters under disagreement.**

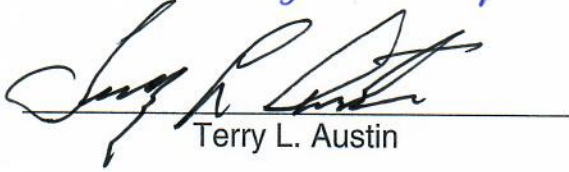
Respectfully submitted,



Barry D. Knight



Janet D. Howell



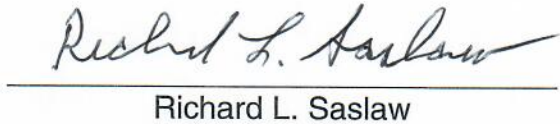
Terry L. Austin



George L. Barker



Robert S. Bloxom, Jr.



Richard L. Saslaw



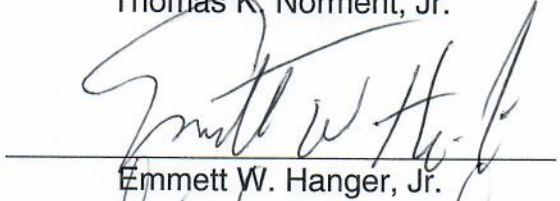
Emily M. Brewer



Thomas K. Norment, Jr.



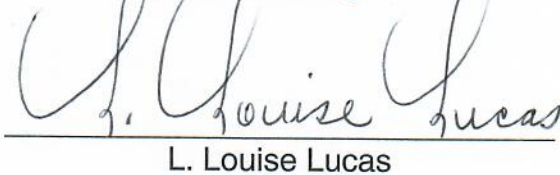
Luke E. Torian



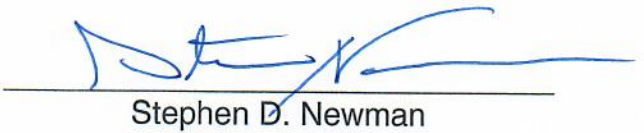
Emmett W. Hanger, Jr.



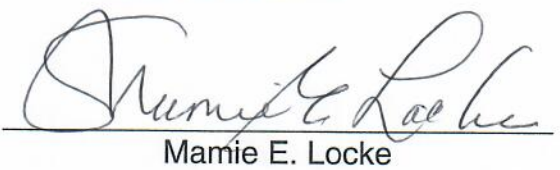
Mark D. Sickles




L. Louise Lucas



Stephen D. Newman



Mamie E. Locke



R. Creigh Deeds

House Conferees

Senate Conferees

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HOUSE BILL NO. 1400
AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the Joint Conference Committee
 on February 25, 2023)
 (Patron Prior to Substitute—Delegate Knight)

A BILL to amend and reenact Items 267 and 269 of Chapter 2 of the Acts of Assembly of 2022, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, and to amend Chapter 2 of the Acts of Assembly of 2022, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, by adding items numbered 138.10 and C-79.50, relating to general appropriation act.

Be it enacted by the General Assembly of Virginia:
1. That Items 267 and 269 of Chapter 2 of the Acts of Assembly of 2022, Special Session I are amended and reenacted and that Chapter 2 of the Acts of Assembly of 2022, Special Session I is amended and reenacted by adding items numbered 138.10 and C-79.50, as follows:

		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
267.	Revenue Stabilization Fund (73500)			\$1,127,733,028	\$0\$405,952,425
	Payments to the Revenue Stabilization Fund (73501)	\$1,127,733,028	\$0\$405,952,425		
	Fund Sources:				
	General	\$1,127,733,028	\$0\$405,952,425		

Authority: Title 2.2, Chapter 18, Article 4, Code of Virginia.

A. On or before November 1 of each year, the Auditor of Public Accounts shall report to the General Assembly the certified tax revenues collected in the most recently ended fiscal year. The auditor shall, at the same time, provide his report on the 15 percent limitation and the amount that could be paid into the fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia as well as the additional deposit requirement of § 2.2-1829, Code of Virginia.

B. Out of this appropriation, \$1,127,733,028 the first year from the general fund attributable to actual tax collections for fiscal year 2021 shall be paid by the State Comptroller on or before June 30, 2023, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia. This amount is based on the certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2021. This appropriation meets the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

C. 1. Notwithstanding the provisions of subsection E of § 2.2-1829 and subsection F of § 2.2-1831.3, Code of Virginia, through June 30, 2024, the combined amount in the Revenue Stabilization Fund and the Revenue Reserve Fund shall not exceed 20 percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales as certified by the Auditor of Public Accounts for the three fiscal years immediately preceding.

2. The Secretary of Finance shall prepare a report to include recommendations for consideration of any adjustments to, or a removal of, the existing cap on the combined balance of the Revenue Stabilization Fund and the Revenue Reserve Fund, pursuant to subsection E of § 2.2-1829 and subsection F of § 2.2-1831.3, Code of Virginia, which shall be delivered to the Governor and the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee by September 1, 2022.

D.1. Out of this appropriation, \$405,952,425 the second year from the general fund attributable to actual tax collections for fiscal year 2022 shall be paid by the State Comptroller on or before June 30, 2024, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia.

2. Notwithstanding the provisions of § 2.2-1831.3 and § 2.2-1831.4, Code of Virginia, the State Comptroller shall transfer \$498,700,000 from the Revenue Reserve Fund to the Revenue Stabilization Fund on or before June 30, 2024. This amount was provided in Chapter 1, 2022 Acts of Assembly, Special Session I, as an advanced reservation for the mandatory deposit to the Revenue Stabilization Fund required in fiscal year 2024.

3. The combined total of the actions authorized in this paragraph, \$904,652,425, is based on the certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2022. These actions meet the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

HOUSE SUBSTITUTE

HB1400H1

		Item Details(\$)		Appropriations(\$)	
		First Year	Second Year	First Year FY2023	Second Year
		FY2023	FY2024		FY2024
61					
62					
63					
64	269.			\$31,359,934	\$31,359,934
65	Personnel				
66	Managem-				
67	ent Services				
68	(70400)				
69	Administra-	\$250,000,0-	\$0		
70	tion of	00			
71	Retirement				
72	and				
73	Insurance				
74	Programs				
75	(70415)				
76	Employee	\$31,359,934	\$31,359,934		
77	Flexible				
78	Benefits				
79	Services				
80	(70420)				
81	Fund				
82	Sources:				
83	General	\$250,000,0-	\$0		
84		00			
85	Trust and	\$31,359,934	\$31,359,934		
86	Agency				

Authority: Title 2.2, Chapter 8, Code of Virginia.

Pursuant to the amounts contingently appropriated in Item 485, paragraph L of this act, on or before June 30, 2023, the State Comptroller shall deposit \$250,000,000 from the general fund into the Virginia Retirement System trust fund. The Virginia Retirement System shall allocate these funds in the following manner in an effort to address the unfunded liabilities associated with each plan:

1. An amount estimated at \$73,052,105 to the state employee plan.
2. An amount estimated at \$147,457,029 to the public school teacher plan.
3. An amount estimated at \$3,652,605 to the State Police Officers' Retirement System.
4. An amount estimated at \$6,628,802 to the Virginia Law Officers' Retirement System.
5. An amount estimated at \$2,083,338 to the Judicial Retirement System.
6. An amount estimated at \$2,840,915 to the health insurance credit plan for state employees.
7. An amount estimated at \$4,004,338 to the health insurance credit plan for public school teachers.
8. An amount estimated at \$10,146,126 to the group life insurance plan.
9. An amount estimated at \$91,992 to the health insurance credit plan for Constitutional Officers and their employees.
10. An amount estimated at \$40,585 to the health insurance credit plan for local social services employees.
11. An amount estimated at \$2,165 to health insurance credit plan for the Registrars and their employees.

		Item Details(\$)		Appropriations(\$)	
		First Year	Second Year	First Year FY2023	Second Year FY2024
		FY2023	FY2024		
106					
107					
108					
109	C-79.50			\$100,000,000	\$0
110	2022 Capital				
111	Supplement Pool				
112	(18646)				
113	Fund Sources:				
114	General	\$100,000,000	\$0		

A. Included in this Item is \$100,000,000 the first year from the general fund that is designated for project supplements to address shortfalls for projects and central capital construction pools.

1. In fulfillment of the requirement in paragraph L, Item 485 of this act, there is included \$100,000,000 from the general fund in the first year.

2. Funding provided in this Item and remaining from Item C-69.60 of Chapter 1, 2022 Acts of Assembly, Special Session I, may be transferred and used for the purposes described in paragraph B. of this Item, pursuant to the approval process and requirements in paragraph C. of this Item.

B.1. Notwithstanding § 2.2-1519 E.1., Code of Virginia., funding may be used to address shortfalls for capital projects that (i) were previously authorized for construction in a central construction pool subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; (ii) have satisfied the requirements of § 2.2-1519 C. and E.2., Code of Virginia; and (iii) have received a funding report from the Department of General Services prior to April 1, 2022.

126 2. Funding may be used for projects, within the limits of the 105 percent cost threshold set forth in
 127 § 2.2-1519 E.1., Code of Virginia, that (i) were authorized for construction in a central construction
 128 pool subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; (ii) have satisfied the
 129 requirements of § 2.2-1519 C. and E.2., Code of Virginia; and (iii) had not received a funding report as
 130 of April 1, 2022.

131 3. Funding may be used to address shortfalls for projects that have been authorized in an
 132 Appropriation Act or other authorizing legislation for construction that were not budgeted in a central
 133 construction pool, provided that the agency is unable to use additional value engineering or reduce the
 134 size or scope of the project to remain within available appropriation while meeting the original
 135 programmatic intent of the appropriation.

136 4. Funding may be used to address shortfalls in central capital construction pools that have
 137 insufficient funding remaining to meet the outstanding needs of projects authorized within a given pool.

138 C.1. A transfer authorized by this Item may only be effectuated if (i) the Director of the Department
 139 of Planning and Budget provides notice of the amount and purpose of any such proposed transfer to the
 140 Six-Year Capital Outlay Plan Advisory Committee; and (ii) no member of the committee or their
 141 designee objects, in writing or via email, to the transfer within 14 days of receiving such notice. If an
 142 objection is received, the committee may discuss such proposed transfer at its next meeting and vote as
 143 to whether to recommend such transfer.

144 2. Specific project allocations for transfer from this Item shall be based upon recommendations from
 145 the Department of General Services.

146 3. Supplemental amounts determined in accordance with paragraph B.1., B.2., and B.3. of this Item
 147 shall be adjusted to match the proportion of a project's total cost supported by general fund as set forth
 148 in the funding report, Appropriation Act, or other authorizing legislation.

149 4. After receiving funds pursuant to paragraphs B.1. or B.3. of this Item, projects shall comply with
 150 the provisions of paragraph K. of § 2.0 of this act.

151 *Direct Aid to Public Education*

		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
152					
153					
154					
155	138.10 State Education			\$132,813,671	\$130,279,159
156	Programs (17700)				
157	Distribution of State	\$132,813,671	\$130,279,159		
158	Education Assistance				
159	(17701) Fund Sources:				
160	General	\$132,703,671	\$125,816,329		
161	Special	\$110,000	\$125,000		
162	Trust and Agency	\$0	\$4,337,830		

163 *A. The appropriations within this agency shall be adjusted as follows:*

	General Fund	First Year FY2023	Second Year FY2024
164	General Fund		
165	Appropriations		
166	Update Average Daily	\$28,389,627	\$42,826,514
167	Membership		
168	projections based on		
169	Fall Membership		
170	Update costs of	\$1,233,501	\$1,241,783
171	Categorical programs		
172	Update costs of	(\$16,271,483)	(\$6,450,403)
173	Incentive programs		
174	Update Fall	\$97,384	\$214,336
175	Membership data in		
176	Direct Aid program		
177	formulas		
178	Update Lottery	\$9,499,460	(\$4,337,838)
179	proceeds for public		
180	education		
181	Update program	\$9,139,785	\$9,139,785
182	participation for		
183	Remedial Summer		
184	School		
185	Update sales tax	\$0	(\$93,912)
186	distribution for school		
187	age population		
188	Update sales tax	\$90,474,422	\$77,507,889
189	revenue for public		
190	education		

191	Update Supplemental	(\$335,000)	\$0
192	Education accounts		
193	Update the cost of	(\$104,903)	\$0
194	Lottery-funded		
195	programs		
196	Update the state cost	\$2,147,022	\$4,647,991
197	for English as a		
198	Second Language		
199	Update Academic Year	\$1,104,051	\$1,120,184
200	Governor's School per		
201	pupil amounts		
202	Use Lottery fund	(\$9,499,465)	\$0
203	balances to support		
204	existing appropriation		
205	General Fund Total:	\$115,874,401	\$125,816,329
206	Nongeneral Fund	First Year FY2023	Second Year FY2024
207	Appropriations		
208	Increase nongeneral	\$110,000	\$125,000
209	fund appropriation for		
210	Summer Residential		
211	Governor's World		
212	Language Academies		
213	Update Lottery	(\$9,499,462)	\$4,337,830
214	proceeds for public		
215	education		
216	Use Lottery fund	\$9,499,462	\$0
217	balances to support		
218	existing appropriation		
219	Nongeneral Fund	\$110,000	\$4,462,830
220	Total:		

221 *B. Out of this appropriation, \$16,829,270 the first year from the general fund is provided to ensure*
 222 *that the sum of basic aid and sales tax payments a school division receives in fiscal year 2023 is at*
 223 *least the sum of basic aid and sales tax payments that was communicated to school divisions in*
 224 *Superintendents Memo #133-22.*

225 **2. That this act is effective on its passage as provided in § 1-214 of the Code of Virginia.**