




Overview of Proposed Budgets

SB 29 (Governor's Amendments to 2022-24 Budget)

SB 30 (Governor's 2024-26 Budget)

January 17, 2024

Topic Order

 Overview/ Resources	K-12 Education 	 Higher Education & Other Ed.	 Health & Human Res.	 Public Safety & Veterans
Economic Development 	Natural Resources/ Ag. & Forestry 	 Transportation	General Government 	 Capital Outlay

Overview and Resources

Proposed Budget for FY 2024 and 2024-26 Biennium

Two Budget Bills

- **SB 29 (“Caboose Bill”)** – Amends the CURRENT budget (Chapter 1) to reflect the revised revenue estimate, required spending, and any savings in FY 2024.
 - Effective when signed by the Governor.
- **SB 30** – The proposed biennial budget for the next two fiscal years, **FY 2025 and FY 2026**.
 - Effective July 1, 2024.

Key Themes in Proposed Spending

- SB 30 relies on a \$2.4 billion carryforward from FY 2024, a one-time resource available for appropriation in the 2024-26 biennium.
- Further, SB 30 increases one-time sources by transferring \$805.0 million from the Revenue Reserve Fund to the general fund to align the combined balances to the Code.
 - SB 30 removes the language in the current Appropriation Act allowing the combined balances of Rainy Day and Revenue Reserve Funds to exceed the Code cap of 15 percent of certified revenues.
 - SB 30 relies on other one-time sources to pay for ongoing spending, including using the Literary Fund to pay for teacher retirement costs.
- Mandatory spending in Medicaid, K-12 rebenchmarking, and backfilling Health Care Fund revenue shortfall consumes most GF resources.
- SB 30 proposes a net GF spending increase of \$4.0 billion (\$3.1 billion operating and \$916.6 million capital spending).
- The Committee will need to prioritize structural balance to avoid building on the imbalance between one-time sources and ongoing spending in the proposed biennial budget.

Some FY 2026 Proposed Spending is Less than or Only Slightly Above FY 2024 Appropriations

(\$ in millions)	FY 2026		
	Increase	Decrease	Net Compared to FY 2024, Adjusted Base by SFAC
Administration	\$1.9	(\$42.2)	(\$40.3)
Agriculture and Forestry	2.0	(1.2)	0.9
Central Appropriations	190.3	(33.1)	157.2
Commerce and Trade	6.9	(87.0)	(80.1)
Education (K-12)	641.0	(518.4)	122.6
Education (Higher Ed)	34.7	(46.3)	(11.6)
Education (Museums & Library)	0.0	0.0	0.0
Executive Offices	1.9	0.0	1.9
Finance	59.3	(1.1)	58.2
Health and Human Resources	1,076.2	(25.0)	1,051.2
Independent Agencies	47.0	0.0	47.0
Judicial	10.4	(4.9)	5.4
Labor	6.1	(2.1)	4.1
Legislative	0.0	0.0	0.0
Natural and Historic Resources	10.0	(3.4)	6.6
Public Safety and Homeland Security	53.2	(69.3)	(16.1)
Transportation	1.5	0.0	1.5
Veterans and Defense Affairs	1.3	0.0	1.3
Total Statewide Operating	\$2,143.8	(\$833.9)	\$1,309.9

SB 30 Includes Significant One-Time Revenue Sources and Proposes Funding Several Items in the First Year Only

Proposed Budget Concerns (\$ in millions)				
	FY 2025		FY 2026	
	GF	NGF	GF	NGF
One-Time Resources				
Revenue Reserve Fund Transfer to GF	\$712.2	0.0	\$92.8	0.0
Children's Services Act - No growth assumed in second year	48.5	0.0	48.5	0.0
Direct Aid: Divert Literary Fund for VRS Teacher Unfunded Liability	0.0	235.0	0.0	0.0
VA Department of Agriculture and Consumer Services – Transfer NGF to GF	2.5	0.0	0.0	0.0
Operational Reductions to Central Agencies				
Department of General Services – Rent savings plan for James Monroe Building	(\$1.1)	\$0.0	(\$7.1)	\$0.0
Department of Accounts – Capture Vacant Positions	(0.9)	0.0	(0.9)	0.0
Department of Planning and Budget – Capture Vacant Positions	(0.1)	0.0	(0.1)	0.0
Ongoing Funds Converted to One-Time or Funding Not Included in the Second Year Base				
Central Maintenance Reserve	\$404.0	\$0.0	\$0.0	\$0.0
SCHEV - Internships	19.0	0.0	1.0	0.0
SCHEV - Pell Initiative	0.0	0.0	(37.5)	0.0
Use of Nongeneral Funds to Support General Fund Operations				
Direct Aid – Divert Literary Fund for GF Teacher Retirement Costs	(\$150.0)	\$150.0	(\$150.0)	\$150.0
Marine Resources Commission – Supplant with Marine Waterways Improvement Fund	(0.7)	0.7	(0.7)	0.7
Proposals that Conflict with Code				
Direct Aid – Remove Supplemental Payments in Lieu of Grocery Tax	(\$114.5)	\$0.0	(\$114.5)	\$0.0
Online Virginia Network Authority – Remove Funding	(4.0)	0.0	(4.0)	0.0
New College Institute – Remove Second-Year Funding	0.0	0.0	(3.1)	0.0
Student Loan Ombudsman – Remove Second-Year Funding	(0.1)	0.0	(0.2)	0.0

Major Operating Spending Items

Spending Item	Biennial (GF \$ in millions)
Medicaid Utilization, Inflation, & Health Care Fund	\$1,222.9
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: Discretionary 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 One Percent (Each Year)	109.0
State Employee Health Insurance Premium Costs	106.3
VA Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network	100.0
Virginia Community Flood Preparedness Fund	100.0
<u>All Other Spending Items</u>	<u>1,798.1</u>
Total Spending	\$4,685.2

Major Operating Savings Items

Saving Item	Biennial (GF \$ in millions)
K-12: Literary Fund Support for School Employee Retirement Contributions	(\$300.0)
K-12: Eliminate Payment in Lieu of Sales Tax on Food & Hygiene Products	(229.0)
K-12: Reduced Rate for Teacher Retirement	(119.6)
DOC: Closure of Sussex II and Augusta Correctional Facilities	(108.0)
K-12: Redirect VA Preschool Int. & 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 Roads Reg. Jail	(58.5)
<u>All Other Saving Items</u>	<u>(387.5)</u>
Total Savings	(\$1,601.0)

SB 29 GF Resource Changes

	Chapter 1	SB 29	Difference
Prior Year Balance	\$10,930.6	\$10,930.6	\$0.0
Additions to Balance	(7,126.1)	(6,614.9)	511.2
Revenue Forecast	26,369.3	27,732.7	1,363.4
Transfers	<u>(129.8)</u>	<u>(50.4)</u>	<u>79.4</u>
Total GF Resources	\$30,044.0	\$31,998.0	\$1,954.0
Unappropriated Balance (Chapter 1)			\$7.3
SB 29 Difference in Available Resources			1,954.0
SB 29 Net Spending Decrease/(Increase)			<u>392.5</u>
HB/SB 29 Carry Forward Balance			\$2,353.8

- GF revenue forecast includes \$35.0 million GF from the agreement with Dominion Energy for the offshore wind cable landing at the State Military Reservation.
- Reverts \$512.9 million from unspent FY 2023 balances and transfers excess \$41.8 million from the 2023 Tax Rebate Fund.

SB 30 GF Resources Available for Appropriation

(\$ in millions)	2024-26 Biennium
Beginning Balance (from SB 29)	\$2,353.8
Adjustments to Balance	(1.0)
Ch.1 Base GF Revenue and Transfers	52,479.0
GF Economic Forecast Adjustments	6,029.2
GF Net Assumed Tax Policy Actions	(999.5)
Transfer Revenue Reserve Fund to GF	805.0
Transfer Adjustments	<u>2,271.8</u>
GF Resources Available for Appropriation	\$62,938.3
Ch.1 GF Base Budget, Adjusted Base by SFAC	\$58,929.4
Proposed GF Operating Spending	3,083.6
Proposed GF Capital Outlay Spending	<u>916.6</u>
Total Proposed GF Spending	\$62,929.6
Unappropriated Balance	\$8.7

SB 30 Revenue Outlook

- The 2024-26 general fund revenue forecast assumes GF revenue growth rates of 3.0 percent in FY 2025 and 6.0 percent in FY 2026 before tax policy adjustments.
- Proposed policy changes that impact general fund revenues are expected to decrease GF revenues \$999.5 million over the biennium.
- Net of policy adjustments, general fund revenues are projected to increase 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

SB 30 Proposed Tax Policy Actions Reduce Revenue by \$1.0 billion

General Fund Impact of Proposed Tax Policy Actions			
(\$ in millions)	FY 2025	FY 2026	Biennium
Revenue Generating Proposals			
Increase State Sales and Use Tax 90 basis points (TY 2025)	\$520.1	\$1,299.3	\$1,819.4
Expand State Sales and Use Tax to Digital Personal Property and Taxable Services (TY 2025)	<u>203.4</u>	<u>510.7</u>	<u>714.0</u>
Subtotal Revenue Generating Proposals	\$723.5	\$1,810.0	\$2,533.4
Revenue Reducing Proposals			
Reduce Individual Income Tax Rates approximately 12.0 percent (TY 2025)	(\$1,118.9)	(\$2,339.8)	(\$3,458.7)
Double Dealer Discount for Sales and Use Tax (TY 2025)	(10.1)	(25.2)	(35.2)
Increase Nonrefundable Earned Income Tax Credit from 20.0 to 25.0 percent (TY 2025)	0.0	(29.0)	(29.0)
Increase Education Improvement Scholarship Tax Credit Cap to \$30.0 million (FY 2025)	<u>(5.0)</u>	<u>(5.0)</u>	<u>(10.0)</u>
Subtotal Revenue Reducing Proposals	(\$1,134.0)	(\$2,399.0)	(\$3,532.9)
Net Proposed Tax Policy Actions	(\$410.5)	(\$589.0)	(\$999.5)
Note: May not sum due to rounding.			

Sales and Use Tax Proposals

90 Basis Point Rate Increase

- Increases the general state sales and use tax rate from 4.3 to 5.2 percent.
- No increase to the dedicated sales tax amounts for K-12 or transportation.

Sales Tax Distribution	Current	Proposed
Unrestricted General Fund	2.025%	2.925%
K-12 Education	1.375%	1.375%
Transportation	0.9%	0.9%
State Sales Tax Rate	4.3%	5.2%
General Statewide (1.0 percent Local Option)	5.3%	6.2%
Hampton Roads, Northern Virginia, Central Virginia (additional 0.7 percent)	6.0%	6.9%
Historic Triangle (additional 1.0 percent)	7.0%	7.9%
Local Option School Construction	6.3%	7.2%

Expand Tax Base

- Imposes sales and use tax on **digital personal property** (e.g., digital downloads) and **taxable services** (includes software application services, website hosting and design, data storage, streaming services, and computer-related services).
- Application of the sales and use tax on taxable services is exempt if the purchaser or consumer of the service is a business.
- The additional revenue generated and dedicated to transportation (0.9 percent) from the expanded tax base is distributed:
 - Half to the Transportation Partnership Opportunity Fund; and
 - Half to the Interstate 81 Corridor Improvement Fund until June 30, 2031, or a total of \$400.0 million deposited.

Sales and Use Tax Proposals: K-12 Impact

(\$ 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)

* For every \$1.00 decrease in K-12 sales tax, the total Basic Aid cost increases by a like amount. Therefore, when sales tax declines, the state is required to spend an additional \$0.55 and, on average, localities must spend an additional \$0.45 to cover Basic Aid costs (varies based on a division's local composite index).

2022 & 2023 Session Tax Policy Actions Reduce Revenue by \$3.0 billion in the 2024-26 Biennium

Tax Action (\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026
Individual: Increase Standard Deduction \$8,000/\$16,000 *	(1,015.8)	(707.4)	(719.4)	(730.8)
Individual: Increase Standard Deduction \$8,500/\$17,000 (TY24)	0.0	(48.1)	(101.7)	(102.6)
Sales and Use: Eliminate State Portion on Groceries (1.5 percent) *	(115.0)	(267.2)	(272.5)	(273.6)
Individual: Refundable Earned Income Tax Credit to 15.0 percent of Federal Credit	(159.0)	(156.0)	(159.6)	(155.0)
Individual: Military Retirement Subtraction for Age 55 or Older	(145.0)	(156.0)	(182.0)	(194.4)
Individual: Military Retirement Subtraction Eliminate Age Limitation (TY24)	0.0	(37.8)	(33.4)	(34.7)
Individual/Corp.: Increase Business Interest Deduction Disallowed from 20% to 30%	(15.3)	(10.9)	(11.3)	(11.8)
Individual/Corp.: Increase Business Interest Deduction Disallowed from 30% to 50% (TY24)	<u>0.0</u>	<u>(10.3)</u>	<u>(22.6)</u>	<u>(23.5)</u>
Total Permanent Tax Cuts	(\$1,450.1)	(\$1,393.7)	(\$1,502.5)	(\$1,526.4)
Individual: 2022 Tax Rebate (\$250/\$500)	(\$1,048.6)	0.0	0.0	0.0
Individual: 2023 Tax Rebate (\$200/\$400) (Paid from Special Fund)	<u>0.0</u>	<u>(906.8)</u>	<u>0.0</u>	<u>0.0</u>
Total Permanent + One-Time Tax Cuts	(\$2,498.7)	(\$2,300.5)	(\$1,502.5)	(\$1,526.4)

Source: Virginia Department of Tax, Revenue Impacts. * Estimates updated in July 2023 to reflect wage and inflation growth since fall 2021 estimates.

Public Education

SB 29 Direct Aid: Summary of Proposed Amendments

- SB 29 includes a net reduction of \$282.6 million GF and a net increase of \$89.5 million NGF in Direct Aid.

GF Actions for FY 2024 (\$ in millions)	FY 2024
Update Average Daily Membership (ADM) projections based on actual Fall Membership data from Fall 2023	(\$58.7)
Update categorical programs	0.9
Update distributions for school age population based on the latest estimate from the Weldon Cooper Center	0.1
Update enrollment data for English as a Second Language	(4.0)
Update Fall Membership in Direct Aid program formula	(0.8)
Update incentive programs	(37.2)
Update Lottery Proceeds for public education	(89.5)
Update Lottery supported programs	(18.6)
Update remedial summer school program participation	(2.7)
Update sales tax revenues for public education	(71.4)
Update supplemental education programs	(0.6)
Total	(\$282.6)

Note: Column totals may not sum due to rounding.

Overview of Public Education in SB 30

- The introduced budget proposes net increases totaling \$174.0 million GF and \$686.0 million NGF over the biennium. Major spending amendments include:
 - \$412.1 million GF over the biennium to support families in the Child Care Subsidy Program with state funding once federal funding becomes unavailable;
 - \$535.0 million NGF from the Literary Fund and \$115.0 million GF over the biennium in support of teacher retirement contributions and unfunded liabilities;
 - Reduction of \$229.0 million GF due to elimination of the supplemental GF payment on sales tax on food;
 - \$30.0 million GF each year for the College Partnership Laboratory Schools Fund;
 - \$61.2 million GF to support the expansion of the reading specialist staffing standard;
 - \$53.0 million GF the first year to support a 1% bonus for instructional and support positions;
 - \$122.8 million GF the second year to support a 2% raise for instructional and support positions; and
 - \$40.0 million GF across the biennium for the Department of Education to enter into a new state assessment contract.
- Rebenchmarking costs of \$969.0 million GF across the biennium are also reflected. After removing one-time funds provided in the prior biennium, costs result in a net reduction of \$204.6 million GF.

SB 30 Direct Aid: Summary of Proposed Amendments

GF Actions for the 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Rebenchmarking, Technical Updates, or Removal of One-Time Items	(\$115.7)	(\$88.9)	(\$204.6)
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 million GF with NGF from Literary Fund)	(150.0)	(150.0)	(300.0)
Reduce Teacher Retirement Unfunded Liabilities (Additional \$235.0 M from Literary Fund)	115.0	0.0	115.0
Support Expanded Reading Specialist Staffing Standard	30.5	30.7	61.2
Eliminate Supplemental Payment in Lieu of Sales Tax on Food & Personal Hygiene Products	(114.5)	(114.5)	(229.0)
Update Sales Tax Revenues for Base Expansion	23.9	61.8	85.7
Increase Funding for College Partnership Laboratory Schools	30.0	30.0	60.0
Diploma Plus Grants	20.0	20.0	40.0
Redirect VPI and Early Childhood Education Nonparticipation to Early Childhood	(53.0)	(53.7)	(106.7)
Remove Cap on Supplementary Basic Aid Payments (Rappahannock School Division)	1.8	1.7	3.5
Supplemental Support for Accomack and Northampton	<u>0.8</u>	<u>0.8</u>	<u>1.6</u>
Total	(\$158.2)	(\$139.3)	(\$297.5)

Note: Row and column totals may not sum due to rounding.

SB 30 Direct Aid: Summary of Proposed Amendments

NGF Actions for the 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Teacher Retirement (Supplants \$150.0 million GF with NGF from Literary Fund)	\$150.0	\$150.0	\$300.0
Reduce Unfunded Liabilities for Teacher Retirement (Literary Fund)	235.0	0.0	235.0
School Construction Fund (NGF from Casino Gambling Proceeds)	<u>\$80.0</u>	<u>\$80.0</u>	<u>\$160.0</u>
Total	\$465.0	\$230.0	\$695.0

Note: Row and column totals may not sum due to rounding.

Select Language Amendments

- **Early Childhood**

- **Mixed-Delivery.** Transfers unused funds to the Child Care Subsidy Program or Virginia Preschool Initiative; changes ages served from only three to four-year olds to birth through five-years old; establishes reporting requirements and waiting lists; and implements attendance requirements, parental workforce activity, and family co-pays aligned with the Child Care Subsidy Program.
- **Virginia Preschool Initiative (VPI).** Transfers unused funds to the Child Care Subsidy Program; requires reporting and waitlists; and removes the local composite index cap.
- **Child Care Subsidy Program.** Allows funds to carryover to the following year, requires reporting and waitlists; and designates unused COVID relief funds to be redirected if there are unused balances.
- **Increase utilization of teacher scholarship funds supporting dual enrollment credentialing.** Raises the maximum award and expands eligibility for a grant program for teachers pursuing credentials to teach career and technical education courses.

SB 30 Supplemental Education: Summary of Proposed Amendments

GF Actions for the 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Increase Communities in Schools Funding	\$0.5	\$0.5	\$1.0
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>0.4</u>
Total	\$1.9	\$1.1	\$3.0

Note: Row and column totals may not sum due to rounding.

SB 30 Department of Education: Proposed Amendments

GF Actions for the 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Develop New State Assessment System	\$25.0	\$15.0	\$40.0
Right Size the Office of School Quality	(1.9)	(1.9)	(3.8)
Maintain Teacher Licensure System	0.4	0.4	0.8
Continue Child Care Subsidy Program After Federal Funding Ends	174.3	237.8	412.1
Support Student Access to Mental Health Services	7.2	7.2	14.4
Establish Chief School Mental Health Officer	<u>0.2</u>	<u>0.2</u>	<u>0.4</u>
Total	\$205.2	\$258.7	\$463.9

NGF Actions for the 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Continue Child Care Subsidy Program After Federal Funding Ends	\$39.0	\$0.0	\$39.0
Align NGF appropriation with Estimated Revenue (Virtual Virginia)	<u>(21.8)</u>	<u>(21.8)</u>	<u>(43.6)</u>
Total	\$17.2	(\$21.8)	(\$4.6)

Note: Row and column totals may not sum due to rounding.

Language Amendments

Secretary of Education

- **Develop report on teacher compensation.** Directs the Secretary of Education to convene a workgroup 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; and (3) the criteria, implementation plan, and best practices of a teacher compensation model that includes student outcomes.

Department of Education

- **Provide flexibility for child care staff-to-child ratios.** Continues flexibility for the Superintendent of Public Instruction to change staff-to-child ratios and group sizes for licensed child care centers that participate in the Child Care Subsidy Program.

Higher Education and Other Education

Overview of Higher Education in SB 29 & SB 30

SB 29: Proposes \$1.8 million GF to fund the state match and maximize federal funds received due to Virginia State University's status as an 1890 Land Grant Institution.

SB 30: Proposes a net increase of \$67.2 million GF in FY 2025 and a net decrease of \$11.6 million GF in FY 2026, resulting in a net increase of \$55.6 million GF over the biennium. Major Investments include:

- \$37.0 million for the merger of Eastern Virginia Medical School with Old Dominion University;
- \$16.6 million to support one-time campus safety and security;
- \$9.2 million to increase funding for Workforce Credential Grant program;
- \$7.8 million to establish community college regional career placement centers; and
- \$6.0 million to support a statewide mental health contract.

SB 30: Proposed Amendments – Spending

GF Actions for the 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
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 Statewide Contract	3.0	3.0	6.0
VA Military Survivors & Dependents Stipends	2.0	2.0	4.0
VSU – Cooperative Extension Services (meet federal match)	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 – Facilities Review	0.2	0.0	0.2
Total	\$53.8	\$33.5	\$87.3

SB 30: Proposed Amendments – Savings & Reductions

GF Actions for the 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
SCHEV – Remove Pell Initiative Funding in the Second Year	\$0.0	(\$37.5)	(\$37.5)
*Online Virginia Network - Remove Funding	(4.0)	(4.0)	(8.0)
*New College Institute - Remove funding in the Second Year	0.0	(3.1)	(3.1)
SCHEV – College Transfer Grant (align to demand)	(0.8)	(0.8)	(1.6)
SCHEV – Remove Fund for Excellence and Innovation	(0.2)	(0.2)	(0.4)
*SCHEV – Remove Student Loan Ombudsman Funding	(0.1)	(0.2)	(0.3)
SCHEV – Remove Optometry Grant Program	<(0.1)	<(0.1)	<(0.1)
Total	(\$5.2)	(\$45.8)	(\$51.0)
*Items are currently established in the <i>Code of Virginia</i> .			

SB 30: Proposed Amendments – Transfer of Funding

GF Actions for the 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Innovative Internship Program – to SCHEV from Central Appropriations (changes to one-time funding)	\$19.0	\$1.0	\$20.0
Cardinal Education (Graduate Engineering) administration from UVA	(0.1)	(0.1)	(0.2)
Cardinal Education (Graduate Engineering) administration to SVHEC	0.1	0.1	0.2
Grow Your Own Teacher & Dual Enrollment Credential Program – from SCHEV to DOE	(0.3)	(0.3)	(0.6)
Total	\$18.6	\$0.7	\$19.3

Other Funding Related to Higher Education:

- Virginia Biotechnology, Life Sciences and Pharmaceutical Manufacturing Network: Proposes \$100.0 million GF the first year to support research initiatives at UVA, VT, and VCU. This funding includes a Virginia College Bond Authority transfer of \$7.5 million related to UVA.

Other Education:

- No GF allocations. NGF adjustments for VA Museum of Natural History.

SB 30: Select Language Amendments

- **Maintain affordable access operational support (\$75.0 million each year):** Recommends repurposing funding authorized in Chapter 1, 2023 Special Session I.
 - Requires the Secretary of Education and SCHEV to establish a set of performance standards and targets.
 - Authorizes the Secretary of Education to determine funding allocations in the second year and specifies that amounts are contingent upon institutions limiting in-state undergraduate tuition and mandatory E&G fee increases to the lower of 2.5 percent or inflation and submitting a performance plan.
- **Campus Safety and Security:** Funds are provided to institutions with the requirement to partner with the Virginia Fusion Center (VA State Police and VA Department of Emergency Management).
- **Capital requirements:** Requires Level III institutions to provide 25.0 percent NGF to support education and general (E&G) projects that are new construction, major renovation, or an acquisition.

SB 30: Select Language Amendments

- **Tuition Assistance Grant:**

- Proposes to increase online amount from 50 percent of the campus-based award to 75 percent (an increase from \$2,250 to \$3,750).
- Requests SCHEV to reappropriate up to \$2.0 million in balances to study and implement an online system to facilitate applications for awards.

- **FAFSA Simplification - Alignment of State Aid Language:**

- Recommends language to align state aid with upcoming changes to the Free Application for Federal Student Aid (FAFSA).
- Provides a hold harmless for current students to continue state aid under current criteria.

Health and Human Resources

Overview of SB 29 – Health and Human Resources

- SB 29 includes a net reduction of **\$85.3 million GF** and a decrease of \$225.0 million NGF for HHR.

GF Actions for FY 2024 (\$ in millions)	FY 2024
Children’s Services Act	\$36.4
Health Care Fund (Funds Medicaid State Match)	28.5
Medicaid, Children's Health Insurance Program, Family Access to Medical Insurance Security, and Involuntary Mental Commitments Forecasts	(139.3)
Permanent Supportive Housing	(10.0)
Social Services (Child Welfare Forecast, SNAP Overissuance Settlement, Contract Costs for Income Verification, Summer EBT Program)	1.9
Modify Language Related to ARPA Funding for Administrative Systems	Language
Eliminate Office of Emergency Medical Services Part 3 Transfer (\$12.5 million)	Language
Dementia Funds to be Used for Discharge and Diversion of Older Adults	Language
Total SB 29 for HHR	(\$85.3)

Overview of Health and Human Resources in SB 30

- The introduced budget proposes net increases totaling \$1.7 billion GF over the biennium. Major GF spending amendments include:
 - \$1.2 billion GF to fully fund the Medicaid program;
 - \$150.2 million GF to add 3,440 developmental disability waiver slots;
 - \$97.0 million GF to fund the growth in the Children's Service Act program;
 - \$89.3 million GF to fund community-based behavioral health services;
 - \$62.6 million GF to fund the children's health insurance programs;
 - \$39.8 million to enhance salaries at state psychiatric and training center facilities;
 - \$15.9 million GF for relative maintenance payments and alternative foster care arrangements;
 - \$10.8 million GF to supplant TANF block grant funding for certain organizations; and
 - \$10.0 million GF for additional loan repayment for behavioral health professionals.

DMAS Forecasts and Other Items

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Medicaid Forecast	\$175.1	\$538.9	\$714.0
Health Care Fund (Used as State Match for Medicaid)	255.5	253.4	508.9
Add 3,440 Developmental Disability Waiver Slots	50.0	100.2	150.2
Family Access to Medical Insurance Security Program Forecast	19.6	27.3	46.9
Medicaid Children's Health Insurance Program Forecast	11.1	4.6	15.7
Replacement of Fiscal Agency Services System	1.0	2.2	3.2
Fund Modification of Developmental Disability Waiver Service Limits	0.5	0.6	1.1
Authorization and Funding for Managed Care Contract Reprocurement	0.5	0.7	1.2
Improve Third Party Liability Recoveries (3.0 Positions)	FTEs	FTEs	FTEs
Restrict Medicaid Coverage of Weight Loss Drugs (40 BMI)	(4.1)	(4.8)	(8.9)
Involuntary Mental Commitments Forecast	(2.4)	(0.8)	(3.2)
Clarify Coverage of Prevention Services for Adults	(0.3)	(0.3)	(0.6)

Community Behavioral Health

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Fund Additional Crisis Services	\$33.0	\$2.6	\$35.6
Fund Psychiatric Emergency Rooms at Hospitals	10.0	0.0	10.0
Provide One-Time Funds for Mobile Crisis Units	10.0	0.0	10.0
Expand Alternative Transportation and Custody Program	4.7	4.7	9.4
Fund Crisis Co-Responder Programs	3.6	4.2	7.8
Fund Peer Wellness Stay Programs	3.4	3.3	6.7
Increase Training for First Responders and Hospital Staff	2.6	2.6	5.2
Add 20 Psychiatric Residency Slots (DMAS)	1.0	1.0	2.0
Expand Funding for Adolescent Substance Use Disorder Services	1.1	0.6	1.7
Complete Redesign of Medicaid Behavioral Health Services (DMAS)	0.5	0.0	0.5
Fund Peer-to-Peer Mentoring Program	<u>0.2</u>	<u>0.2</u>	<u>0.4</u>
Total Community Behavioral Health	\$70.1	\$19.2	\$89.3

Behavioral Health Facilities

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Salary Alignment for Clinical Roles	\$11.4	\$11.4	\$22.8
Salary Alignment for Food and Environmental Services Staff	8.5	8.5	17.0
Fund Temporary Kitchen at Eastern State	2.3	0.0	2.3
Fund Clinical Training Sites	0.7	0.7	1.4
Fund Grow Your Own Workforce Program	0.8	0.0	0.8
Enhance Training for Preadmission Screening Clinicians	0.3	0.0	0.3
Adjust Medicaid Appropriation for State Facilities (DMAS)	(2.6)	(2.6)	(5.2)
Reduce Funds for Maintenance of Central VA Training Center Grounds	<u>(1.0)</u>	<u>(1.0)</u>	<u>(1.0)</u>
Total Behavioral Health Facilities	\$20.4	\$17.0	\$37.4

Other Dept. of Behavioral Health and Developmental Services

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Part C Early Intervention Services	\$2.5	\$2.5	\$5.0
Fund Initiatives to Expand Mental Health Workforce	0.6	0.6	1.2
Expand Boost 200 to Pay for Costs of Supervisory Hours	0.6	0.6	1.2
Fund Youth Credentialing Database	1.0	1.0	2.0
Add New Positions in Developmental Disabilities Division (8.0)	0.5	0.5	1.0
Reduce Funding for Local Inpatient Purchase of Service	(1.2)	(1.2)	(2.4)
Use Crisis Call Center Fund Balances to Support Crisis Efforts	(3.2)	(0.5)	(3.7)
Capture Underutilized Funds for Children's Inpatient Services	(0.8)	(0.8)	(1.6)
Reduce Funding for Appalachian Telemental Health	(1.1)	0.0	(1.1)
Eliminate Technology Contract with Gartner	(0.2)	(0.2)	(0.4)
Add New Positions in Developmental Disabilities Division (8.0)	0.5	0.5	1.0

Department of Social Services

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Relative Maintenance Payment Program and Fund Supports for Kinship and Alternative Living Arrangements	\$8.1	\$7.8	\$15.9
Contract Costs for Income Verification for Public Benefits	6.0	6.0	12.0
Address TANF Block Grant Shortfall	0.6	9.6	10.2
Funding for Summer EBT Program for Children	2.9	2.5	5.4
Funding for Fatherhood Programs	1.5	2.5	4.0
Child Welfare Forecast	1.5	1.7	3.2
Funding for SNAP Overissuance Settlement Agreement	1.4	1.3	2.7
Transfer Housing Funding for Foster Care Youth from DHCD	0.6	0.6	1.2
Increase Funding for SNAP EBT Program Contract	0.6	0.8	1.3

Department of Social Services (cont.)

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Support the Judge Swett Learning Center	\$0.5	\$0.5	\$1.0
Fund Advanced Contact to Medicaid Recipients at Renewal	0.1	0.0	0.1
Fund Adult Protective Services Hotline Capacity	0.2	0.2	0.5
Convert Part-time SNAP Evaluation Reviewers to Full-time	0.1	0.1	0.2
Background Checks for Local DSS Employees and Contractors	0.1	0.0	0.1
Savings from Reducing Prevention Services Funding	(5.0)	(5.0)	(10.0)
Fund TANF Benefits and VA Initiative for Education and Work Childcare Forecast	(1.0)	(2.6)	(3.6)
Savings from Rent Decrease	<u>(0.5)</u>	<u>(0.5)</u>	<u>(1.0)</u>
TOTAL (Excludes Base Adjustments)	\$17.7	\$25.5	\$43.2

Department of Health

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Supplant TANF Block Grant with GF (Contraceptives for Low-Income Individuals, Families Forward, Resource Mothers)	\$3.4	\$7.4	\$10.8
Expand the Behavioral Health Loan Repayment Program	5.0	5.0	10.0
Continue Nursing Education Acceleration Program	4.0	4.0	8.0
Add State Matching Funds for Drinking Water Infrastructure	3.1	3.1	6.2
Add Funds to Improve Agency Financial Oversight	1.8	1.8	3.6
Funding for Hampton Roads Proton Beam Therapy Institute	2.5	0.0	2.5
Expand Nursing Scholarships and Loan Repayment Programs	0.9	0.9	1.9
Establish Office of Grants Administration	0.6	0.6	1.2
Other VDH Actions (Matching Funds for Home Visiting Services, Amyotrophic Lateral Sclerosis Association, Special Olympics, Additional Staff for Healthcare Workforce Incentive Program)	<u>1.5</u>	<u>0.9</u>	<u>2.4</u>
TOTAL (Excludes Base Adjustments)	\$22.8	\$23.7	\$46.5

- Suspends the \$12.5 million transfer to the general fund from the Office of Emergency Medical Services.

Other HHR Agencies

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
<u>Secretary of Health and Human Resources</u>			
Add an Additional Position	\$0.1	\$0.1	\$0.3
<u>Children's Services Act</u>			
Fund the Children's Services Act Forecast	\$48.5	\$48.5	\$97.0
Fund Supports for Kinship Alternative Living Arrangements	1.2	1.2	2.4
<u>Aging and Rehabilitative Services</u>			
State Support for Centers for Independent Living Salaries	\$>0.0	\$>0.0	\$0.1
<u>Opioid Abatement Authority</u>			
Base Appropriation for Opioid Abatement Authority (NGF)	\$66.1	\$76.1	\$142.2

Public Safety and Veterans

Overview of Public Safety & Veterans in SB 30

- For Public Safety & Homeland Security agencies, the introduced budget proposes net increases totaling \$1.9 million GF over the biennium. Major GF spending and savings amendments include:
 - \$42.9 million GF to transition Lawrenceville Correctional Center from private to state management;
 - \$19.0 million GF to establish a Department of Corrections career progression program for correctional officers;
 - \$18.0 million GF to establish a law enforcement officer recruitment and wellness program; and
 - Savings of \$118.6 million GF to recognize the closures of four Department of Corrections facilities.
- For Veterans & Defense Affairs agencies, the introduced budget proposes net increases totaling \$34.8 million GF over the biennium, including \$30.5 million GF for veterans care centers.

Department of Corrections: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Transition Lawrenceville to State Management*	\$24.5	\$18.4	\$42.9
Career Progression Program	9.5	9.5	19.0
Operational Funding (Food, Utilities, etc.)	4.0	4.0	8.0
Salary Increases for Vacant Positions	2.9	2.9	5.8
Full-Body Scanners	3.5	0.7	4.1
Emergency Medical Services Sussex County	0.5	0.5	1.0
Corrections Special Reserve Fund ("Woodrums")	0.4	-	0.4
State Share Franklin County Jail Renovation	<0.1	-	<0.1
Savings from Four Facility Closures	(53.6)	(65.0)	(118.6)
Reduce Operating Budget	(1.0)	(1.0)	(2.0)
Removing Funding for DMV Connect Program	<u>(0.2)</u>	<u>(0.2)</u>	<u>(0.4)</u>
Total	(\$9.5)	(\$30.3)	(\$39.8)

*SB 29 (Caboose) proposes an additional \$5.3 million GF in FY 2024 to transition Lawrenceville to state management.

Department of Criminal Justice Services and Virginia State Police: Proposed Amendments

DCJS GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Law Enforcement Recruitment and Wellness Program	\$18.0	-	\$18.0
Victim Witness and Sexual and Domestic Violence Agencies	2.4	8.3	10.7
Increase Grants to Combat Hate Crimes (incl. language change)	2.0	-	2.0
Replace Credentialing Management System	0.5	-	0.5
Remove Funding for Vacant Position	(0.1)	(0.1)	(0.2)
Total	\$22.8	\$8.2	\$31.0

VSP GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Sworn Officer Pay Step Increase	\$3.0	\$3.0	\$6.0
Replace Three Airplanes	1.6	1.6	3.3
11 Positions (Fusion Center/Campus Safety, Background Checks)	0.9	1.1	2.0
Med-Flight Personnel Chesterfield County	-	0.8	0.8
Funding No Longer Needed (Retired Debt Service, Position)	(0.7)	(0.7)	(1.4)
Total	\$4.9	\$5.8	\$10.6

Other Public Safety Agency Agencies: Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Dept. of Emergency Management Warehouse	\$1.1	\$1.1	\$2.2
Dept. of Forensic Science Personnel, Supplies & Software	0.7	0.9	1.6
State Fire Marshal Operating Budget	0.4	0.4	0.9
Comm. Atty. Services Council Software	<0.1	<0.1	<0.1
Cannabis Control Authority Operating Budget	(1.0)	(1.0)	(2.0)
Dept. of Juvenile Justice Operating Budget	(0.8)	(0.8)	(1.5)
Secretary: Completed Study*	<u>(0.5)</u>	<u>(0.5)</u>	<u>(1.0)</u>
Total	<\$0.1	\$0.1	\$0.1

*SB 29 (Caboose) transfers \$0.5 million GF to the Secretary of Natural Resources for flood resiliency coordination.

Select Public Safety NGF Proposals:

- \$2.0 million NGF for VSP Virginia Criminal Information Network Upgrade (VCIN).
- \$51.2 million NGF for ABC for four new stores and cost of goods sold.

Veterans and Defense Affairs: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Veterans Care Centers Start-Up Operations	\$30.5	-	\$30.5
Veterans Virtual Service Center & Self-Service Portal	1.2	0.4	1.6
Dept. of Military Affairs (DMA) Cash Management System	0.8	0.4	1.2
Military Women's Memorial	0.5	-	0.5
Partnership for Petersburg Office	0.4	0.4	0.8
New Software Systems	0.1	0.1	0.2
Total	\$33.5	\$1.3	\$34.8

- SB 29 (Caboose): Proposes \$0.3 million GF in FY 2024 for legal and other costs associated with a lease agreement between DMA and Dominion Energy related to the Coastal Virginia Offshore Wind Project.

Select Veterans NGF and Language Proposals:

- \$3.0 million NGF each year for veterans care center operations.
- \$20.0 million for line of credit for DMA authorized projects eligible for federal reimbursement.
- Language authorizing National Guard Tuition Assistance Program balances to carry forward to the next fiscal year.

Commerce & Trade – Economic Development

Overview of Commerce and Trade in SB 30

- The introduced budget proposes net increases totaling \$109.1 million GF over the biennium. Major GF spending amendments include:
 - \$100.0 million GF the first year to establish the Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network;
 - \$91.0 million GF in increased support for the Business Ready Sites program;
 - \$25.0 million GF in one-time funding for the Business Ready Sites Acquisition program;
 - \$25.0 million in the first year to fund Early Learning Capital Incentive Program; and
 - \$10.0 million GF for development of the inland port in the Mt. Rogers Planning District.
- Major GF budget reductions include:
 - \$79.4 million GF to eliminate state support for the Virginia Telecommunications Initiative;
 - \$28.0 million GF captured from GO Virginia unobligated balances; and
 - \$0.8 million GF from business one-stop operations.

Commerce and Trade: Summary of Proposed Actions

Actions for 2022-24 Biennium (\$ in millions)	FY 2025	FY 2026	Total
EDIP: Business Ready Sites Program Fund	\$95.5	(\$4.5)	\$91.0
EDIP: Business Ready Sites Acquisition Program	25.0	-	25.0
EDIP: Develop Inland Port	10.0	-	10.0
EDIP: Adjust Custom Grant Appropriation Levels	(3.0)	(13.2)	(16.2)
DHCD: Eliminate Biotech, Life Science and Pharmaceutical Cluster	(18.0)	(18.0)	(36.0)
DHCD: Reduce Funding for Va. Telecommunications Initiative	(29.7)	(49.7)	(79.4)
DHCD: Establish Early Learning Capital Incentive Program	25.0	-	25.0
DHCD: Invest in Industrial Revitalization Fund	4.0	-	4.0
ENGR: Resources for Virginia Power Innovation Fund	6.0	-	6.0
DSBSD: Right Size Funding for Business One-Stops	(0.4)	(0.4)	(0.8)
FMA: Address Costs of Public Works Contract	0.3	0.4	0.7
VEDP: Eliminate Offshore Wind Energy Supply Chain Program	(2.5)	(2.5)	(5.0)
VEDP: Launch Innovative Framework	2.0	2.0	4.0
VEDP: Increase Capacity for Va. Office of Education Economics	1.3	1.3	2.6
VEDP: Provide for Business Ready Sites Administration	0.8	0.8	1.6
VEDP: Establish Virginia Office in Taiwan	0.5	0.5	1.0
VTA: Increase Funding for Spearhead Trails	0.8	-	0.8
VTA: Funding for Carter Family Fold	0.3	-	0.3
VIPA: Fund Va. Biotech, Life Sciences, and Pharm. Man. Network	100.0	-	100.0

Labor

Overview of Labor in SB 30

- The introduced budget proposes net increases totaling \$12.4 million GF over the biennium, including:
 - \$3.2 million GF in the first year for one-time costs associated with transition of systems and employees to the Department of Workforce Development and Advancement;
 - \$2.0 million each year to develop a registered apprenticeship grant program for businesses; and
 - \$1.0 million in FY 2025 to establish a Healthcare Workforce Training Program to connect jobseekers in Southeastern Virginia to healthcare skills training and supportive services in Hampton Roads.
- Recommends \$30.0 million line of credit for Virginia Employment Commission (VEC) during economic downturns.
- Authorizes VEC to promulgate a fee schedule for administrative costs, and directs that fees are cost neutral for businesses.

Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Secretary: Secretarial Office Staffing (1.0 FTE)	\$0.1	\$0.1	\$0.2
DOLI: Transfer funding and positions to DWDA	(2.0)	(2.0)	4.0
DPOR: Funding for Mission Critical and Legacy Systems (NGF)	5.9	2.3	8.2
DWDA: Establish Department (GF and NGF, 459 FTE)	130.3	130.3	260.6
DWDA: Fund Apprenticeship Grant Program	2.0	2.0	4.0
DWDA: Start-up Costs for New Department	3.2	-	3.2
VEC: Transfer Funds and Positions to DWDA (NGF)	(\$94.5)	(\$94.5)	(\$189.0)

Agriculture & Forestry

Overview of Agriculture & Forestry in SB 30

- The introduced budget proposes net increases totaling \$6.0 million GF over the biennium, including:
 - \$2.0 million GF for agricultural technology research projects;
 - \$1.3 million GF for removal of derelict fire towers; and
 - A reduction of \$1.1 million GF captured through budget savings strategies including: reduced funding for farmland preservation, reduced support for international trade, and less funding provided for internet connectivity upgrades at Department of Forestry field offices.

Actions for 2022-24 Biennium (\$ in millions)	FY 2025	FY 2026	Total
VDACS: Fund Agricultural Technology Research Projects	\$2.0	-	\$2.0
VDACS: Increase AFID Funding	2.0	-	2.0
VDACS: Increase Support for Inspected Slaughter	0.3	0.3	0.6
DOF: Remove Derelict Fire Towers	0.7	0.6	1.3
DOF: Technical Assistance for Carbon Life Cycle Assessment	0.1	-	0.1
VRC: Breeder's Fund (NGF)	\$1.9	1.9	\$3.8

Natural Resources

Overview of Natural Resources in SB 30

- The introduced budget proposes net increases totaling \$543.3 million GF over the biennium. Major GF spending amendments include:
 - \$138.1 million GF and \$63.0 million NGF for deposit to the Water Quality Improvement Fund;
 - \$19.2 million is directed to specific uses, \$118.1 million is transferred to the Virginia Natural Resources Commitment Fund for agricultural best management practices, and \$63.0 million is to be distributed, subject to approval by the Soil and Water Conservation District Board, to cost share grants and technical assistance.
 - \$100.0 million GF for the Virginia Community Flood Preparedness Fund;
 - \$73.9 million GF in FY 2025 to support the Norfolk Coastal Storm Risk Management Plan;
 - \$50.0 million GF in FY 2025 for the Richmond Combined Sewer Overflow Project; and
 - \$35.0 million GF in FY 2025 to fund Bristol Landfill Remediation.

Natural Resources: Summary of Proposed Actions

Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
SNR: Cap the amount of WQIF Reserve	-	-	Language
DCR: WQIF Ag Cost Share and Nonpoint Source Programs (GF and NGF)	\$201.0	-	\$201.0
DCR: Norfolk Coastal Storm Risk Management Project	73.8	-	73.8
DCR: Virginia Community Flood Preparedness Fund	100.0	-	100.0
DCR: Resilient Virginia Revolving Loan Fund	25.0	-	25.0
DCR: Dam Safety, Flood Prevention and Flood Protection Fund	5.0	-	5.0
DCR: Emergency Vehicles and Equipment Needs	1.4	<0.1	1.4
DCR: Development of Culpeper Battlefields State Park	1.2	0.9	2.1
DCR: Operations of Hayfields State Park	1.1	1.1	2.2
DEQ: Supplement Richmond CSO Funding	50.0	-	50.0
DEQ: Support Bristol Landfill Remediation	35.0	-	100.0
DEQ: Enhance Chesapeake Bay Monitoring	4.4	4.1	8.5
DEQ: Support Air Permitting Program	0.7	0.7	1.4
DEQ: Enhance Groundwater Permitting Technical Capacity	0.4	0.4	0.8
DWR: Support Freshwater Mussel Restoration (NGF)	2.0	-	2.0
DWR: Increase Federal Wildlife Restoration Fund (NGF)	2.6	2.6	5.2
DHR: Create Capital Grant Program for 250 th Anniversary	35.0	-	35.0
DHR: Battlefield Preservation Fund	5.0	-	1.0
VMRC: LEO Compression	0.7	0.7	1.4
VMRC: Oyster Replenishment One-time (NGF)	3.0	-	3.0
VMRC: Reduce Oyster Restoration Annual Support	(0.5)	(0.5)	(1.0)

Transportation

Overview of Transportation in SB 30

- The introduced budget proposes net increases totaling \$92.2 million GF and (\$612.2) million NGF over the biennium. GF spending amendments include:
 - \$70.0 million GF improvements to I-81 in the Christiansburg area;
 - \$20.0 million GF for deposit to the Transportation Partnership Opportunity Fund (TPOF); and
 - \$2.3 million GF for port grant programs that replaced tax credits that expire January 1, 2025.
- Language requiring Secretary of Transportation to approve increased funding for WMATA in excess of the maximum 3.0 percent cap on increases.
 - Additional language outlines the requirements of the WMATA corrective action plan to address cost reduction and other strategies.
- Proposed capital outlay projects include:
 - \$35.0 million NGF for VDOT facilities improvements; and
 - \$458.2 million NGF for Port Authority cargo handling facilities, expansion of the empty yard, and berth and wharf maintenance.

General Government

Overview of SB 29 (Caboose Bill) – General Government

- **Proposed amendments in SB 29, as Introduced, for the current year total a reduction of \$35.5 million GF and an increase of \$8.4 million NGF.**
- SB 29 reallocates \$39.0 million in previously allocated American Rescue Plan Act funds to the child care subsidy program.

GF Actions for FY 2024 (\$ in millions)	FY 2024
Recognize Debt Service Savings	(\$21.5)
Projected Savings from Jail Inmate Per Diems	(15.0)
Savings from Jail Closures	(2.2)
Appropriation for Higher Education Credit Card Rebates and Interest Earnings	<u>3.2</u>
Total SB 29 GF Actions for General Government	(\$35.5)

Overview of General Government in SB 30

- The introduced budget proposes net increases totaling \$492.4 million GF over the biennium for the Secretariats under the purview of the General Government Subcommittee.
- Major GF spending and savings amendments over the biennium include:
 - \$168.6 million GF for state and state-supported local salary increases and bonuses;
 - \$150.0 million GF to improve state agency IT infrastructure;
 - \$106.3 million GF for state agency health insurance premiums;
 - \$83.7 million GF for debt service costs;
 - \$52.0 million to for the Commonwealth Health Reinsurance Program;
 - \$20.0 million GF to support the American Revolution 250 Commission; and
 - Savings of \$70.8 million GF in Compensation Board reimbursements to align with projected trends in the jail inmate population and vacancy levels in constitutional officers' offices.

Employee Compensation in SB 30

- **SB 30, as Introduced, includes \$397.4 million GF over the biennium in across the board and targeted compensation actions for state and state-supported employees and teachers.**

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
State and State-Supported Local Bonuses (1% Each Year)	\$54.2	\$54.8	\$109.0
Salary Increase for Teachers and Support Staff (2% Second Year)	-	122.8	122.8
State and State-Supported Salary Increase (1% Second Year)	-	59.6	59.6
Bonus for Teachers and Support Staff (1% First year)	53.0	-	53.0
Targeted Salary Adjustments – Behavioral Health, State Police, DOC, MRC	<u>26.5</u>	<u>26.5</u>	<u>53.0</u>
Total	\$133.7	\$263.7	\$397.4

Judicial: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Supreme Court – Enterprise Resource Planning System	\$1.0	\$2.5	\$3.5
Court of Appeals – Increased Staffing (14.0)	1.4	1.4	2.8
Supreme Court – State Funding for Specialty Dockets	<u>0.8</u>	<u>1.5</u>	<u>2.3</u>
Total	\$3.2	\$5.4	\$8.6
Indigent Defense Comm. – NGF Appropriation Adjustments*	\$2.1	\$2.1	\$4.2

*Reflects increased NGF appropriation to accommodate an Opioid Abatement Grant; increased NGF appropriation to accommodate local supplemental allocations.

Executive Offices: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
GOV – Permitting Enhancement and Evaluation Platform	\$4.6	\$0.0	\$4.6
OAG – Increase Consumer Protection Staffing (6.0)	0.7	0.7	1.4
OAG – Additional IT Positions (5.0)	0.7	0.7	1.3
OAG – Increase Rate Payer Protection Staff (2.0)	0.3	0.3	0.6
GOV – Fund Five Artificial Intelligence Pilots	0.6	0.0	0.6
GOV – Support for the Children’s Ombudsman (1.0)	0.2	0.2	0.4
SOC – Increase Notary and Restoration of Rights Staff (2.0)	0.2	0.2	0.4
Interstate Org. Contributions – Annual Statewide Memberships	>0.0	>0.0	>0.0
GOV – Move Diversity, Equity, and Inclusion Funding	Language	Language	Language
OAG - Authorize Fee Collection from Local SWCDs	Language	Language	Language
Total Executive Offices	\$7.1	\$1.9	\$9.0

Administration: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Compensation Board			
Behavioral Health and Medical Treatment Positions in Jails	\$1.3	\$1.3	\$2.6
Adjust Const. Office Salaries Based on Population	0.2	0.2	0.4
Savings from Jail Closures*	(15.7)	(15.7)	(31.4)
Jail Per Diem Appropriation Adjustment	(15.0)	(15.0)	(30.0)
Savings from Vacant Positions in Const. Officer's Offices	0.0	(9.4)	(9.4)
Savings from Unlaunched Pilot Program	(0.1)	(0.1)	(0.2)
Sub-Total (Compensation Board)	(\$29.3)	(\$38.8)	(\$68.1)

*Reflects savings from the closures of Bristol City Jail in 2023 and Hampton Roads Regional Jail in 2024.

Administration: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
DGS: Enhance Capital Asset Management Capabilities	\$0.5	\$0.0	\$0.5
DGS: Supplant GF Position Costs with NGF Support	(2.0)	(2.0)	(4.0)
ELECT: Additional Positions for List Maintenance (1.0)	0.1	0.2	0.3
SEC: Staff for Div. of Executive Administrative Services (1.0)	0.2	0.2	0.4
DHRM: Software for Statewide Performance Evaluation Process	0.3	0.2	0.5
DHRM: Pageup Recruitment Management System Fee	<u>(0.2)</u>	<u>0.0</u>	<u>(0.2)</u>
Total Administration (Excludes Comp. Board)	(\$1.1)	(\$1.5)	(\$2.6)
Other NGF Actions *	\$138.5	\$202.8	\$341.3

*Includes \$435.0 million for the State Health Benefits Program; \$8.3 million reduction to adjust the rent plan appropriation for DGS state office moves; \$4.3 million for Cardinal HCM costs; \$2.0 million corresponding with the GF reduction in DGS; \$0.1 million to establish a jail-based substance use disorder treatment program; a reduction of \$86.5 million for VITA's internal service fund; a reduction of \$2.2 million for vacant VITA positions; and a reduction of \$0.3 million for VITA staff conversion to full-time positions.

Finance: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
TB: Adjust Funding for Debt Service Payments	\$24.4	\$59.3	\$83.7
DOA: Reduce Agency Operational Budget	(0.9)	(0.9)	(1.8)
DPB: Reduce Agency Operational Budget	(0.1)	(0.1)	(0.2)
TAX: Mandate Online Registration for New Businesses	(>0.0)	(>0.0)	(>0.0)
TRS: New Fee and Recover Indirect Costs from VSAP	(0.1)	(0.1)	(0.2)
DOA Transfers: Mandatory Revenue Stabilization Fund Deposit	Lang.	Lang.	Lang.
Total – Department of Finance	\$23.3	\$58.2	\$81.5
TRS: Increased Cost of Statewide Insurance Programs (NGF)	\$15.0	\$16.0	\$31.0
Cardinal System Charges and other NGF Actions (NGF)	(\$11.8)	(\$11.8)	\$23.6

Central Appropriations: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
State and State-Supported Salary Increases/Bonuses	\$54.2	\$114.4	\$168.6
Funding to Improve State Agency IT Infrastructure	150.0	0.0	150.0
Adjust Agency Health Insurance Premium Costs	39.6	66.7	106.3
Funding to Support American Revolution 250 Commission	20.0	0.0	20.0
Funding for a Workforce Recruitment Program	15.0	0.0	15.0
Higher Education Rebates and Interest	3.2	3.2	6.4
Adjust Agency Information Technology Costs	5.1	0.8	5.9
Adjust Funding for Minimum Wage Costs	1.0	3.3	4.3
Line of Duty Act Premium Increase	1.7	1.7	3.4
Adjust Funding for State Workers' Compensation Premiums	1.5	1.7	3.2

Central Appropriations: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Adjust Funding for State Agency Rent Costs	\$2.1	(\$0.8)	\$1.3
Funding to Aid in Potential Sports Team Relocations	0.5	0.0	0.5
Transfer Funding for Workforce Development Training	(17.0)	(17.0)	(34.0)
Adjust for State Employee Retirement Costs	(8.3)	(6.9)	(15.2)
Cardinal Financials System ISF Charges	(3.8)	(2.0)	(5.8)
Adjust Funding for Other Post-Employment Benefit Programs	(2.7)	(2.8)	(5.5)
Cardinal Human Capital Management System ISF Charges	(3.5)	(1.0)	(4.5)
Agency Worker's Compensation Premium Changes	(1.5)	(1.7)	(3.2)
Adjust Funding for Changes in DRM Premiums	(0.4)	(0.4)	(0.8)
Savings from Reduced Fleet Vehicle / Lease Rates	(0.4)	(0.4)	(0.8)
Adjust Funding for Performance Budgeting System Changes	(0.1)	0.1	0.0

Central Appropriations: Summary of Proposed Amendments

GF Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
Reversion of ARPA Funding to Childcare Subsidy Program	Language	Language	Language
Total GF Central Appropriations	\$254.8	\$157.2	\$412.0
Reduce Tobacco Region Revitalization Commission Funding (NGF)	(\$30.0)	(\$30.0)	(\$60.0)
Higher Education Rebates and Interest (NGF)	8.6	8.6	17.3
Increase Appropriation for Tobacco Settlement Fund (NGF)	\$0.7	\$0.7	\$1.4

Independent Agencies: Summary of Proposed Amendments

Actions for 2024-26 Biennium (\$ in millions)	FY 2025	FY 2026	Total
SCC: Health Reinsurance Program (GF)	\$5.0	\$47.0	\$52.0
NGF Actions:			
SCC: Health Reinsurance Program (GF)	\$331.9	\$354.1	\$686.0
SCC: Health Benefit Exchange	22.3	25.1	47.4
SCC: Address Workload Increase (NGF)	6.0	6.0	12.0
LOTTERY: Base Appropriation for Locality Casino Payments (NGF)	50.0	50.0	100.0
VA 529: Customer Service, IT, and Risk Management (NGF)	4.5	5.4	9.9
VRS: Customer Service, Service Delivery, IT, and Internships (NGF)	8.8	8.8	17.6
VRS: Support for Investment Department	2.6	3.2	5.8
VRS: Facility Repairs and Space Modifications	\$3.2	\$0.2	\$3.4

Capital Outlay

SB 30 Capital Outlay Program

Proposes \$1.2 billion as GF and GF tax-supported debt.

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

SB 29 proposes to revert \$5.0 million GF for unused Dredging Projects at the Virginia Port Authority, adds \$740,000 NGF for Department of Forestry land acquisition, and converts a VSU project from a pool project to a standalone project.

SB 30 GF Supported Projects Focus on Deferred Maintenance, Improvements to Existing Facilities, or Maintenance Reserve

Capital Outlay Funding by Project Type (\$ in millions)					
Major Category	GF Cash	GF Debt	NGF Cash	NGF Debt	Total
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	103.5	0.0	0.0	0.0	103.5
Total	\$916.6	\$334.9	\$749.9	\$133.6	\$2,135.0

- \$300.0 million GF and GF debt to supplement previously authorized projects for cost overruns;
- \$404.0 million GF for Maintenance Reserve allocations in FY 2025 only;
- \$229.4 million GF and GF debt for improvements and renovations at existing facilities
- \$81.3 million GF for equipment for capital projects coming online within the next 18 months;
- \$22.2 million GF for Tech Talent Investment Program (Amazon HQ2) equipment;
- \$187.0 million GF and GF debt for deferred maintenance type projects; and,
- New construction is limited to a 9(c) bond project at VSU for student housing and an indoor small arms firing range at DMA funded with funds from the Coastal Virginia Offshore Wind project.

SB 30 Proposed Deferred Maintenance and Improvements

Deferred Maintenance Umbrella Projects (\$ in millions)		Stand Alone Improvement Projects (\$ in millions)		
Institution	GF Debt	Project Title	GF Cash	GF Debt
George Mason University	\$12.0	FMA (DGS Managed): Renovate & Repair Fort Monroe	\$50.0	\$0.0
Old Dominion University	12.0	DGS: Renovate Office Space for Monroe Building Tenants & Demolish Monroe	50.0	0.0
Radford University	8.0	DBHDS: Renovate, Repair, & Upgrade Facilities	35.0	0.0
University of Mary Washington	5.5	DBHDS: Improve Safety & Security at Eastern State Hospital	0.0	24.3
University of Virginia	12.0	DOC: Capital Infrastructure Fund	0.0	15.0
University of Virginia – Wise	1.5	NSU: Improve Campus Infrastructure	0.0	14.1
Virginia Commonwealth University	12.0	VSU: Improve South Entrance & Campus Security	0.0	12.0
Virginia Community College System	<u>24.0</u>	VT: Improve Campus Accessibility	0.0	8.0
Total	\$87.0	DCR: Replace Underground Storage Tanks- Phase I	0.0	3.0
		DMA: Improve Readiness Centers	0.0	3.0
		DCR: Address Climate Control in State Park Yurts	<u>0.0</u>	<u>1.6</u>
		Total	\$135.0	\$81.0

GF Debt = VCBA / VPBA 9(d) tax-supported bond

SB 30 Proposed Capital Construction Pools

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	\$42.9 million
VPBA Tax-Supported	\$42.9 million

2024 State Agency 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	\$80.1 million
VCBA Tax-Supported	\$70.5 million
NGF	\$0.2 million
9(d) revenue bonds	\$9.3 million

SB 30 Planning Pool and Pool Supplements

Central Capital Planning Pool			
<u>Agency</u>	<u>Project</u>	<u>Planning Stage</u>	
Department of General Services	Renovate 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	\$26.6 million
		GF	\$24.0 million
		NGF	\$2.6 million

Supplements		
<u>Pool</u>	<u>Amount</u>	
2022 Supplement Pool for Cost Overruns	\$250.0 million GF	
2022 State Agency Capital Pool - State Police Training Academy	\$50.0 million VPBA tax-supported debt	
Total	\$300.0 million	

Proposed Capital Funding Language Changes

- **Tier III E&G Match.** Proposes that the Tier III higher education institutions cover 25 percent of the cost of capital projects that support Education and General (E&G) programs.
 - Would not apply to projects that: (i) address maintenance, life safety, security, or infrastructure; or (ii) are for the Virginia Institute of Marine Science (VIMS), UVA-Wise, or Virginia Co-op Extension and Agricultural Experiment Station.
 - Typically, a 50/50 split of GF/NGF is required for research space, and NGF contributions from an institution for any auxiliary-use space, for project design components outside of state-approved scope, and for other purposes as determined on a project-specific basis as set-out in a project's funding authorization.
- **Capital Outlay Funding Framework.** Proposes language in Part 4 to establish new capital outlay funding requirements to include:
 - Requiring that one percent of GF revenues be targeted to address deferred maintenance at existing state facilities; and,
 - Limiting annual GF-supported capital spending (GF cash + tax-supported debt) to one percent of the total of annual GF revenue plus annual debt capacity plus any non-reappropriated prior-year unexpended GF balances.
- **Six-Year Capital Plan Advisory Committee.** Proposes language in Item 2-0 on the general conditions for the Six-Year Capital Plan including:
 - Recommending the Committee submit the plan as a report to the Governor and General Assembly based on the projects authorized for planning. Currently, the plan is introduced as legislation and does not always reflect the projects authorized in the enrolled Appropriation Act;
 - Requiring the Committee to review and recommend if state-supported projects that haven't progressed to construction in five years should remain authorized or be rescinded; and
 - Exempting written communications among Committee members and staff from FOIA. The exemptions 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.