

## 2024 SESSION

### HOUSE BILL NO. 29

Offered January 10, 2024

Prefiled December 20, 2023

A BILL to amend and reenact Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769 of the Acts of Assembly of 2023, as further amended by Chapter 1 of the Acts of Assembly of 2023, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, and a BILL to amend the Code of Virginia by adding in Title 15.2 a chapter numbered 58.1, consisting of sections numbered 15.2-5824 through 15.2-5842.

**Patron - Torian**

**Referred to the Committee on Appropriations**

Be it enacted by the General Assembly of Virginia:

1. That Items 0, 72, 73, 98, 113, 124, 125, 136, 137, 233, 280, 284, 302, 303, 304, 306, 312, 313, 340, 341, 342, 344, 345, 347, 350, 373, 374, 386, 392, 402, 479, 480, 486, 487.50, § 2-0 ,C-77, § 3-1.01, § 4-6.01, and § 4-14.00 of Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769 of the Acts of Assembly of 2023, as further amended by Chapter 1 of the Acts of Assembly of 2023, be hereby amended and reenacted and that the cited chapter be further amended by adding Items C-4.10 and § 3-5.30.

2.§1. The following are hereby appropriated, for the current biennium, as set forth in succeeding parts, sections and items, for the purposes stated and for the years indicated:

A. The balances of appropriations made by previous acts of the General Assembly which are recorded as unexpended, as of the close of business on the last day of the previous biennium, on the final records of the State Comptroller; and

B. The public taxes and arrears of taxes, as well as moneys derived from all other sources, which shall come into the state treasury prior to the close of business on the last day of the current biennium. The term "moneys" means nontax revenues of all kinds, including but not limited to fees, licenses, services and contract charges, gifts, grants, and donations, and projected revenues derived from proposed legislation contingent upon General Assembly passage.

§ 2. Such balances, public taxes, arrears of taxes, and monies derived from all other sources as are not segregated by law to other funds, which funds are defined by the State Comptroller, pursuant to § 2.2-803, Code of Virginia, shall establish and constitute the general fund of the state treasury.

§ 3. The appropriations made in this act from the general fund are based upon the following:

	First Year	Second Year	Total
Unreserved Beginning Balance	\$10,684,532,497	\$10,930,591,910	\$21,615,124,407
Additions to Balance	(\$3,078,628,035)	(\$7,126,108,812)	(\$10,204,736,847)
		(\$6,614,881,564)	(\$9,693,509,599)
Official Revenue Estimates	\$24,871,135,500	\$26,369,314,900	\$51,240,450,400
		\$27,732,700,000	\$52,603,835,500
Transfer	\$714,716,804	(\$129,796,220)	\$584,920,584
		(\$50,439,248)	\$664,277,556
Total General Fund Resources Available for Appropriation	\$33,191,756,766	\$30,044,001,778	\$63,235,758,544
		\$31,997,971,098	\$65,189,727,864

The appropriations made in this act from nongeneral fund revenues are based upon the following:

	First Year	Second Year	Total
Balance, June 30, 2022	\$8,383,240,878	\$0	\$8,383,240,878
Official Revenue Estimates	\$45,429,302,663	\$47,405,121,153	\$92,834,423,816
		\$46,252,967,838	\$91,682,270,501
Lottery Proceeds Fund	\$784,671,715	\$850,842,423	\$1,635,514,138

1			\$944,668,276	\$1,729,339,991
2	Internal Service Fund	\$2,404,388,342	\$2,413,968,065	\$4,818,356,407
3	Bond Proceeds	\$157,296,000	\$98,420,000	\$255,716,000
4	Total Nongeneral Fund Revenues			
5	Available for			
6	Appropriation	\$57,158,899,598	\$50,768,351,641	\$107,927,251,239
7			\$49,710,024,179	\$106,868,923,777
8	TOTAL PROJECTED			
9	REVENUES	\$90,350,656,364	\$80,812,353,419	\$171,163,009,783
10			\$81,707,995,277	\$172,058,651,641

11 § 4. Nongeneral fund revenues which are not otherwise segregated pursuant to this act shall be segregated in accordance with the acts  
12 respectively establishing them.

13 § 5. The sums herein appropriated are appropriated from the fund sources designated in the respective items of this act.

14 § 6. When used in this act the term:

15 A. "Current biennium" means the period from the first day of July two thousand twenty-two, through the thirtieth day of June two  
16 thousand twenty-four, inclusive.

17 B. "Previous biennium" means the period from the first day of July two thousand twenty, through the thirtieth day of June two thousand  
18 twenty-two, inclusive.

19 C. "Next biennium" means the period from the first day of July two thousand twenty-four, through the thirtieth day of June two  
20 thousand twenty-six, inclusive.

21 D. "State agency" means a court, department, institution, office, board, council or other unit of state government located in the  
22 legislative, judicial, or executive departments or group of independent agencies, or central appropriations, as shown in this act, and  
23 which is designated in this act by title and a three-digit agency code.

24 E. "Nonstate agency" means an organization or entity as defined in § 2.2-1505 C, Code of Virginia.

25 F. "Authority" sets forth the general enabling statute, either state or federal, for the operation of the program for which appropriations  
26 are shown.

27 G. "Discretionary" means there is no continuing statutory authority which infers or requires state funding for programs for which the  
28 appropriations are shown.

29 H. "Appropriation" shall include both the funds authorized for expenditure and the corresponding level of full-time equivalent  
30 employment.

31 I. "Sum sufficient" identifies an appropriation for which the Governor is authorized to exceed the amount shown in the Appropriation  
32 Act if required to carry out the purpose for which the appropriation is made.

33 J. "Item Details" indicates that, except as provided in § 6 H above, the numbers shown under the columns labeled Item Details are for  
34 information reference only.

35 K. Unless otherwise defined, terms used in this act dealing with budgeting, planning and related management actions are defined in the  
36 instructions for preparation of the Executive Budget.

37 § 7. The total appropriations from all sources in this act have been allocated as follows:

38	<b>BIENNIUM 2022-24</b>			
39		<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>Total</b>
40	OPERATING EXPENSES	\$60,768,061,978	\$104,126,520,049	\$164,894,582,027
41		\$60,375,529,599	\$103,999,352,861	\$164,374,882,460
42	LEGISLATIVE			
43	DEPARTMENT	\$237,295,625	\$10,491,800	\$247,787,425
44	JUDICIAL DEPARTMENT	\$1,171,654,063	\$75,913,598	\$1,247,567,661
45	EXECUTIVE DEPARTMENT	\$59,325,134,857	\$101,721,695,319	\$161,046,830,176
46		\$58,932,602,478	\$101,594,528,131	\$160,527,130,609
47	INDEPENDENT AGENCIES	\$33,977,433	\$2,318,419,332	\$2,352,396,865

\$2,352,396,765

STATE GRANTS TO

NONSTATE AGENCIES

\$0

\$0

\$0

CAPITAL OUTLAY

EXPENSES

\$2,460,439,690

~~\$1,446,900,612~~

~~\$3,907,340,302~~

\$1,447,640,612

\$3,908,080,302

TOTAL

~~\$63,228,501,668~~

~~\$105,573,420,661~~

~~\$168,801,922,329~~

\$62,835,969,289

\$105,446,993,473

\$168,282,962,762

§ 8. This chapter shall be known and may be cited as the "2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act."

ITEM 1.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
<b>1</b>	<b>PART 1: OPERATING EXPENSES</b>			
<b>2</b>	<b>LEGISLATIVE DEPARTMENT</b>			
<b>3</b>	1.	Not set out.		
<b>4</b>	2.	Not set out.		
<b>5</b>	3.	Not set out.		
<b>6</b>	4.	Not set out.		
<b>7</b>	5.	Not set out.		
<b>8</b>	6.	Not set out.		
<b>9</b>	7.	Not set out.		
<b>10</b>	8.	Not set out.		
<b>11</b>	9.	Not set out.		
<b>12</b>	10.	Not set out.		
<b>13</b>	11.	Not set out.		
<b>14</b>	12.	Not set out.		
<b>15</b>	13.	Not set out.		
<b>16</b>	14.	Not set out.		
<b>17</b>	15.	Not set out.		
<b>18</b>	16.	Not set out.		
<b>19</b>	17.	Not set out.		
<b>20</b>	18.	Not set out.		
<b>21</b>	19.	Not set out.		
<b>22</b>	20.	Not set out.		
<b>23</b>	21.	Not set out.		
<b>24</b>	22.	Not set out.		
<b>25</b>	23.	Not set out.		
<b>26</b>	24.	Not set out.		
<b>27</b>	25.	Not set out.		

ITEM 26.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	26.	Not set out.				
2	27.	Not set out.				
3	28.	Not set out.				
4	29.	Not set out.				
5	30.	Not set out.				
6	31.	Not set out.				
7	32.	Not set out.				
8	33.	Not set out.				
9	34.	Not set out.				
10	35.	Not set out.				
11	35.50	Not set out.				
12	36.	Not set out.				
13	37.	Not set out.				
14	38.	Not set out.				
15	TOTAL FOR LEGISLATIVE DEPARTMENT.....				\$123,734,824	\$124,052,601
16	General Fund Positions.....		628.00	641.00		
17	Nongeneral Fund Positions.....		32.50	32.50		
18	Position Level.....		660.50	673.50		
19	Fund Sources: General.....		\$118,652,500	\$118,643,125		
20	Special.....		\$4,815,500	\$5,142,652		
21	Trust and Agency.....		\$129,282	\$129,282		
22	Federal Trust.....		\$137,542	\$137,542		

ITEM 39.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
<b>1</b>	<b>JUDICIAL DEPARTMENT</b>			
<b>2</b>	39.	Not set out.		
<b>3</b>	40.	Not set out.		
<b>4</b>	41.	Not set out.		
<b>5</b>	42.	Not set out.		
<b>6</b>	43.	Not set out.		
<b>7</b>	44.	Not set out.		
<b>8</b>	45.	Not set out.		
<b>9</b>	46.	Not set out.		
<b>10</b>	47.	Not set out.		
<b>11</b>	48.	Not set out.		
<b>12</b>	49.	Not set out.		
<b>13</b>	50.	Not set out.		
<b>14</b>	51.	Not set out.		
<b>15</b>	52.	Not set out.		
<b>16</b>	53.	Not set out.		
<b>17</b>	54.	Not set out.		
<b>18</b>	TOTAL FOR JUDICIAL DEPARTMENT.....		<b>\$619,984,876</b>	<b>\$627,582,785</b>
<b>19</b>	General Fund Positions.....	3,749.71	3,754.71	
<b>20</b>	Nongeneral Fund Positions.....	106.00	106.00	
<b>21</b>	Position Level.....	3,855.71	3,860.71	
<b>22</b>	Fund Sources: General.....	\$582,028,077	\$589,625,986	
<b>23</b>	Special.....	\$10,556,686	\$10,556,686	
<b>24</b>	Dedicated Special Revenue.....	\$26,085,368	\$26,085,368	
<b>25</b>	Federal Trust.....	\$1,314,745	\$1,314,745	

ITEM 55.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
<b>1</b>	<b>EXECUTIVE DEPARTMENT</b>			
<b>2</b>	<b>EXECUTIVE OFFICES</b>			
<b>3</b>	55.	Not set out.		
<b>4</b>	56.	Not set out.		
<b>5</b>	57.	Not set out.		
<b>6</b>	58.	Not set out.		
<b>7</b>	59.	Not set out.		
<b>8</b>	60.	Not set out.		
<b>9</b>	61.	Not set out.		
<b>10</b>	62.	Not set out.		
<b>11</b>	63.	Not set out.		
<b>12</b>	64.	Not set out.		
<b>13</b>	65.	Not set out.		
<b>14</b>	66.	Not set out.		
<b>15</b>	67.	Not set out.		
<b>16</b>	68.	Not set out.		
<b>17</b>	69.	Not set out.		
<b>18</b>	TOTAL FOR EXECUTIVE OFFICES.....		<b>\$92,367,860</b>	<b>\$94,642,376</b>
<b>19</b>	General Fund Positions.....	421.92	439.92	
<b>20</b>	Nongeneral Fund Positions.....	247.58	247.58	
<b>21</b>	Position Level.....	669.50	687.50	
<b>22</b>	Fund Sources: General.....	\$55,116,035	\$57,390,551	
<b>23</b>	Special.....	\$22,832,192	\$22,832,192	
<b>24</b>	Commonwealth Transportation.....	\$2,352,587	\$2,352,587	
<b>25</b>	Dedicated Special Revenue.....	\$112,735	\$112,735	
<b>26</b>	Federal Trust.....	\$11,954,311	\$11,954,311	

ITEM 70.		Item Details(\$)		Appropriations(\$)	
		First Year	Second Year	First Year	Second Year
		FY2023	FY2024	FY2023	FY2024
1	OFFICE OF ADMINISTRATION				
2	70.	Not set out.			
3	71.	Not set out.			
4	§ 1-1. COMPENSATION BOARD (157)				
5	72.	Financial Assistance for Sheriffs' Offices and			
6		Regional Jails (30700).....		\$573,722,067	<del>\$593,528,504</del>
7					\$591,279,814
8		Financial Assistance for Regional Jail Operations			
9		(30710).....		\$198,332,868	<del>\$205,094,615</del>
10					\$204,318,222
11		Financial Assistance for Local Law Enforcement			
12		(30712).....		\$108,643,817	\$109,464,232
13		Financial Assistance for Local Court Services			
14		(30713).....		\$66,038,779	\$66,665,308
15		Financial Assistance to Sheriffs (30716).....		\$13,664,735	\$14,512,415
16		Financial Assistance for Local Jail Operations			
17		(30718).....		\$187,041,868	<del>\$197,791,934</del>
18					\$196,319,637
19		Fund Sources: General.....		\$565,719,409	<del>\$585,525,846</del>
20					\$583,277,156
21		Dedicated Special Revenue.....		\$8,002,658	\$8,002,658
22	Authority: Title 15.2, Chapter 16, Articles 3 and 6.1; and §§ 53.1-83.1 and 53.1-85, Code of				
23	Virginia.				
24	A.1. The annual salaries of the sheriffs of the counties and cities of the Commonwealth shall				
25	be as hereinafter prescribed, according to the population of the city or county served and				
26	whether the sheriff is charged with civil processing and courtroom security responsibilities				
27	only, or the added responsibilities of law enforcement or operation of a jail, or both.				
28	Execution of arrest warrants shall not, in and of itself, constitute law enforcement				
29	responsibilities for the purpose of determining the salary for which a sheriff is eligible.				
30	2. Whenever a sheriff is such for a county and city together, or for two or more cities, the				
31	aggregate population of such political subdivisions shall be the population for the purpose of				
32	arriving at the salary of such sheriff under the provisions of this item and such sheriff shall				
33	receive as additional compensation the sum of one thousand dollars.				
34		August 1, 2022	July 1, 2023	December 1, 2023	
35		to	to	to	
36		June 30, 2023	November 30, 2023	June 30, 2024	
37	Law Enforcement and Jail Responsibility				
38	Less than 10,000	\$78,853	\$82,796	\$115,946	
39	10,000 to 19,999	\$90,633	\$95,165	\$115,946	
40	20,000 to 39,999	\$99,599	\$104,579	\$115,946	
41	40,000 to 69,999	\$108,260	\$113,673	\$115,946	
42	70,000 to 99,999	\$120,288	\$126,302	\$128,828	
43	100,000 to 174,999	\$133,657	\$140,340	\$143,147	
44	175,000 to 249,999	\$140,688	\$147,722	\$150,676	
45	250,000 and above	\$156,320	\$164,136	\$167,419	
46	Law Enforcement or Jail				



ITEM 72.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Less than 10,000	\$77,273	\$81,137		\$113,628
2	10,000 to 19,999	\$88,822	\$93,263		\$113,628
3	20,000 to 39,999	\$97,606	\$102,486		\$113,628
4	40,000 to 69,999	\$106,095	\$111,400		\$113,628
5	70,000 to 99,999	\$117,882	\$123,776		\$126,252
6	100,000 to 174,999	\$130,980	\$137,529		\$140,280
7	175,000 to 249,999	\$137,876	\$144,770		\$147,665
8	250,000 and above	\$153,976	\$161,675		\$164,909
9	<b>No Law Enforcement or Jail</b>				
10	<b>Responsibility</b>				
11	Less than 10,000	\$72,609	\$76,239		\$106,671
12	10,000 to 19,999	\$80,676	\$84,710		\$106,671
13	20,000 to 39,999	\$89,637	\$94,119		\$106,671
14	40,000 to 69,999	\$99,599	\$104,579		\$106,671
15	70,000 to 99,999	\$110,667	\$116,200		\$118,524
16	100,000 to 174,999	\$122,960	\$129,108		\$131,690
17	175,000 to 249,999	\$129,430	\$135,902		\$138,620
18	250,000 and above	\$145,378	\$152,647		\$155,700
19	B. Out of the amounts provided for in this Item, no expenditures shall be made to provide				
20	security devices such as magnetometers in standard use in major metropolitan airports.				
21	Personnel expenditures for operation of such equipment incidental to the duties of				
22	courtroom and courthouse security deputies may be authorized, provided that no				
23	additional expenditures for personnel shall be approved for the principal purpose of				
24	operating these devices.				
25	C. In accordance with the provisions of § 53.1-120, Code of Virginia, sheriffs are				
26	responsible for ensuring courtroom safety and chief judges are responsible, by agreement				
27	with the sheriff of the jurisdiction, for the designation of courtroom security deputies for				
28	their respective courts. However, unless a judge provides the sheriff with a written order				
29	stating that a substantial security risk exists in a particular case, no courtroom security				
30	deputies may be ordered by a judge for civil cases, not more than one deputy may be				
31	ordered by a judge for criminal cases in a district court, and not more than two deputies				
32	may be ordered by a judge for criminal cases in a circuit court. In complying with such				
33	orders for additional security, the sheriff may consider other deputies present in the				
34	courtroom as part of his security force.				
35	D. Should the scheduled opening date of any facility be delayed for which funds are				
36	available in this Item, the Director, Department of Planning and Budget, may allot such				
37	funds as the Compensation Board may request to allow the employment of staff for				
38	training purposes not more than 45 days prior to the rescheduled opening date for the				
39	facility.				
40	E. Consistent with the provisions of paragraph B of Item 79, the board shall allocate the				
41	additional jail deputies provided in this appropriation using a ratio of one jail deputy for				
42	every 3.0 beds of operational capacity. Operational capacity shall be determined by the				
43	Department of Corrections. No additional deputy sheriffs shall be provided from this				
44	appropriation to a local jail in which the present staffing exceeds this ratio unless the jail is				
45	overcrowded. Overcrowding for these purposes shall be defined as when the average				
46	annual daily population exceeds the operational capacity. In those jails experiencing				
47	overcrowding, the board may allocate one additional jail deputy for every five average				
48	annual daily prisoners above operational capacity. Should overcrowding be reduced or				
49	eliminated in any jail, the Compensation Board shall reallocate positions previously				
50	assigned due to overcrowding to other jails in the Commonwealth that are experiencing				
51	overcrowding.				
52	F. Two-thirds of the salaries set by the Compensation Board of medical, treatment, and				
53	inmate classification positions approved by the Compensation Board for local correctional				

ITEM 72.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	facilities shall be paid out of this appropriation.				
2	G.1. Subject to appropriations by the General Assembly for this purpose, the Compensation				
3	Board shall provide for a master deputy pay grade to those sheriffs' offices which had				
4	certified, on or before January 1, 1997, having a career development plan for deputy sheriffs				
5	that meet the minimum criteria set forth by the Compensation Board for such plans. The				
6	Compensation Board shall allow for additional grade 9 positions, at a level not to exceed one				
7	grade 9 master deputy per every five Compensation Board grade 7 and 8 deputy positions in				
8	each sheriff's office.				
9	2. Each sheriff who desires to participate in the Master Deputy Program who had not certified				
10	a career development plan on or before January 1, 1997, may elect to participate by certifying				
11	to the Compensation Board that the career development plan in effect in his office meets the				
12	minimum criteria for such plans as set by the Compensation Board. Such election shall be				
13	made by July 1 for an effective date of participation the following July 1.				
14	3. Subject to appropriations by the General Assembly for this purpose, funding shall be				
15	provided by the Compensation Board for participation in the Master Deputy Program to				
16	sheriffs' offices electing participation after January 1, 1997, according to the date of receipt by				
17	the Compensation Board of the election by the sheriff.				
18	H. The Compensation Board shall estimate biannually the number of additional law				
19	enforcement deputies which will be needed in accordance with § 15.2-1609.1, Code of				
20	Virginia. Such estimate of the number of positions and related costs shall be included in the				
21	board's biennial budget request submission to the Governor and General Assembly. The				
22	allocation of such positions, established by the Governor and General Assembly in Item 79 of				
23	this act, shall be determined by the Compensation Board on an annual basis. The annual				
24	allocation of these positions to local sheriffs' offices shall be based upon the most recent final				
25	population estimate for the locality that is available to the Compensation Board at the time				
26	when the agency's annual budget request is completed. The source of such population				
27	estimates shall be the Weldon Cooper Center for Public Service of the University of Virginia				
28	or the United States Bureau of the Census. For the first year of the biennium, the				
29	Compensation Board shall allocate positions based upon the most recent provisional				
30	population estimates available at the time the agency's annual budget is completed.				
31	I. Any amount in the program Financial Assistance for Sheriffs' Offices and Regional Jails				
32	may be transferred between Items 72 and 73, as needed, to cover any deficits incurred in the				
33	programs Financial Assistance for Confinement of Inmates in Local and Regional Facilities,				
34	and Financial Assistance for Sheriffs' Offices and Regional Jails.				
35	J.1. Subject to appropriations by the General Assembly for this purpose, the Compensation				
36	Board shall provide for a Sheriffs' Career Development Program.				
37	2. Following receipt of a sheriff's certification that the minimum requirements of the Sheriffs'				
38	Career Development Program have been met, and provided that such certification is submitted				
39	by sheriffs as part of their annual budget request to the Compensation Board on or before				
40	February 1 of each year, the Compensation Board shall increase the annual salary shown in				
41	paragraph A of this Item by the percentage shown herein for a twelve-month period effective				
42	the following July 1.				
43	a. 9.3 percent increase for all sheriffs who certify their compliance with the established				
44	minimum criteria for the Sheriffs' Career Development Program where such criteria includes				
45	that a sheriff has achieved certification in a program agreed upon by the Compensation Board				
46	and the Virginia Sheriffs' Institute by Virginia Commonwealth University , or, where such				
47	criteria include that a sheriff's office seeking accreditation has been assessed and will be				
48	considered for accreditation by the accrediting body no later than March 1, and have achieved				
49	accreditation by March 1 from the Virginia Law Enforcement Professional Standards				
50	Commission, or the Commission on Accreditation of Law Enforcement agencies, or the				
51	American Correctional Association.				
52	3. Other constitutional officers' associations may request the General Assembly to include				
53	certification in a program agreed upon by the Compensation Board and the officers'				
54	associations by the Weldon Cooper Center for Public Service to the requirements for				
55	participation in their respective career development programs.				

ITEM 72.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	K. Notwithstanding the provisions of Article 7, Chapter 15, Title 56, Code of Virginia,				
2	\$8,000,000 the first year and \$8,000,000 the second year from the Wireless E-911 Fund is				
3	included in this appropriation for local law enforcement dispatchers to offset dispatch				
4	center operations and related costs.				
5	L. Notwithstanding the provisions of §§ 53.1-131 through 53.1-131.3, Code of Virginia,				
6	local and regional jails may charge inmates participating in inmate work programs a				
7	reasonable daily amount, not to exceed the actual daily cost, to operate the program.				
8	M.1. Included in this appropriation is \$ 1,856,649 the first year and \$1,856,649 the second				
9	year from the general fund for the Compensation Board to contract for services to be				
10	provided by the Virginia Center for Policing Innovation to implement and maintain the				
11	interface between all local and regional jails in the Commonwealth and the Statewide				
12	Automated Victim Information and Notification (SAVIN) system, to provide for SAVIN				
13	program coordination, and to maintain the interface between SAVIN and the Virginia Sex				
14	Offender Registry and provide for automated protective order notifications. All law				
15	enforcement agencies receiving general funds pursuant to this item shall provide the data				
16	requirements necessary to participate in the SAVIN system.				
17	2. The data collected for purposes of the Statewide Automated Victim Information and				
18	Notification (SAVIN) system may be used to support additional public safety systems				
19	authorized by statute or the Appropriation Act. In support of these systems, the data may				
20	be used to determine or supplement risk factors, provide notifications, or data-driven				
21	information. The Commonwealth of Virginia's Chief Data Officer and the Compensation				
22	Board shall be permitted access to, and extraction of, such raw state data provided for				
23	these purposes, under terms agreed to by both the vendor collecting data under contract				
24	with the Virginia Center for Policing Innovation and the Commonwealth of Virginia's				
25	Chief Data Officer. No raw data shall be transferred beyond the SAVIN system except				
26	that which is shared with the Commonwealth of Virginia's Chief Data Officer in such				
27	mutually agreed upon manner.				
28	N. Included in this appropriation is \$2,478,556 the first year and \$2,478,556 the second				
29	year from the general fund to support staffing costs associated with the expansion project				
30	at Prince William/Manassas Regional Jail.				
31	O. Included in this appropriation is \$2,194,589 the first year and \$2,194,589 the second				
32	year from the general fund to support staffing costs associated with the Henry County jail				
33	replacement project.				
34	P. Out of the amounts appropriated in this item, \$7,332,246 the first year and \$9,835,820				
35	the second year from the general fund is provided for additional behavioral health case				
36	managers and medical treatment positions in local and regional jails. The Compensation				
37	Board shall provide a progress report on the implementation of these positions, including				
38	but not limited to the amount of funding allocated to each jail and how the jail utilized the				
39	funding, behavioral health screening and assessment of individuals committed to local				
40	correctional facilities, the type of mental health services provided, the number of				
41	individuals with serious mental illness assessed as requiring behavioral health services				
42	who (i) needed and (ii) received discharge planning upon release from the local				
43	correctional facility, and barriers to implementing the initiative. A progress report shall be				
44	submitted to the Governor, the Secretary of Administration, the Chairs of the House				
45	Appropriations Committee and Senate Finance and Appropriations Committee, and the				
46	Director, Department of Planning and Budget, on or before November 1, 2022 and				
47	November 1, 2023.				
48	Q. Out of the amounts appropriated in this item, \$32,154,902 the first year and				
49	\$38,585,989 the second year from the general fund is provided to raise the entry level				
50	annual salary of sworn sheriff deputies and regional jail officers personnel to \$42,000,				
51	effective August 1, 2022. The Compensation Board shall report on the allocation of these				
52	funds and the specific measures of effectiveness that indicate the degree to which these				
53	salary adjustments reduce the number of departures and vacancies. A report is due to the				
54	Governor, the Chairs of the House Appropriation and Senate Finance and Appropriation				
55	Committees, and the Director, Department of Planning and Budget no later than October				
56	15, 2023.				

ITEM 72.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	R. Included in this item, \$6,777,219 the first year and \$8,132,664 the second year from the				
2	general fund to provide a base salary increase of \$100 for each full year of service for sworn				
3	personnel who have three or more years of continuous state service up to thirty years,				
4	effective August 1, 2022.				
5	S. Out of the amounts appropriated in this item, \$7,579,057 the second year from the general				
6	fund is provided for compensation adjustments for deputy sheriffs and regional jail officers,				
7	effective December 1, 2023, to address compression issues which resulted from increasing the				
8	entry level starting pay to \$42,000.				
9	T. Notwithstanding the provisions of paragraph H. of Item 79 of this act, included in this				
10	appropriation is \$1,026,952 the second year from the general fund to support new staffing				
11	associated with an increase in the rated operating capacity resulting from former expansions at				
12	the Piedmont Regional Jail that were not previously provided in base staffing and related				
13	funding by the Compensation Board, effective December 1, 2023.				
14	73. Financial Assistance for Confinement of Inmates in				
15	Local and Regional Facilities (35600).....			\$50,841,403	\$54,906,489
16					\$39,906,489
17	Financial Assistance for Local Jail Per Diem (35601)				
18		\$21,544,188	<del>\$23,261,981</del>		
19			\$16,151,533		
20	Financial Assistance for Regional Jail Per Diem				
21	(35604).....	\$29,297,215	<del>\$31,644,508</del>		
22			\$23,754,956		
23	Fund Sources: General.....	\$50,841,403	<del>\$54,906,489</del>		
24			\$39,906,489		
25	Authority: §§ 53.1-83.1, 53.1-84 and 53.1-85, Code of Virginia.				
26	A. In the event the appropriation in this Item proves to be insufficient to fund all of its				
27	provisions, any amount remaining as of June 1, 2023, and June 1, 2024, may be reallocated				
28	among localities on a pro rata basis according to such deficiency.				
29	B. For the purposes of this Item, the following definitions shall be applicable:				
30	1. Effective sentence--a convicted offender's sentence as rendered by the court less any				
31	portion of the sentence suspended by the court.				
32	2. Local responsible inmate--(a) any person arrested on a state warrant and incarcerated in a				
33	local correctional facility, as defined by § 53.1-1, Code of Virginia, prior to trial; (b) any				
34	person convicted of a misdemeanor offense and sentenced to a term in a local correctional				
35	facility; or (c) any person convicted of a felony offense and given an effective sentence of (i)				
36	twelve months or less or (ii) less than one year.				
37	3. State responsible inmate--any person convicted of one or more felony offenses and (a) the				
38	sum of consecutive effective sentences for felonies, committed on or after January 1, 1995, is				
39	(i) more than 12 months or (ii) one year or more, or (b) the sum of consecutive effective				
40	sentences for felonies, committed before January 1, 1995, is more than two years.				
41	C. The individual or entity responsible for operating any facility which receives funds from				
42	this Item may, if requested by the Department of Corrections, enter into an agreement with the				
43	department to accept the transfer of convicted felons, from other local facilities or from				
44	facilities operated by the Department of Corrections. In entering into any such agreements, or				
45	in effecting the transfer of offenders, the Department of Corrections shall consider the				
46	security requirements of transferred offenders and the capability of the local facility to				
47	maintain such offenders. For purposes of calculating the amount due each locality, all funds				
48	earned by the locality as a result of an agreement with the Department of Corrections shall be				
49	included as receipts from these appropriations.				
50	D. Out of this appropriation, an amount not to exceed \$377,010 the first year and \$377,010				
51	the second year from the general fund, is designated to be held in reserve for unbudgeted				
52	medical expenses incurred by local correctional facilities in the care of state responsible				
53	felons.				

ITEM 73.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	E. The following amounts shall be paid out of this appropriation to compensate localities				
2	for the cost of maintaining prisoners in local correctional facilities, as defined by § 53.1-1,				
3	Code of Virginia, or if the prisoner is not housed in a local correctional facility, in an				
4	alternative to incarceration program operated by, or under the authority of, the sheriff or				
5	jail board:				
6	1.a. For local responsible inmates--\$4 per inmate day, or, if the inmate is housed and				
7	maintained in a jail farm not under the control of the sheriff, the rate shall be \$18 per				
8	inmate day, for inmates housed through November 30, 2023.				
9	b. For local responsible inmates--\$5 per inmate day, or, if the inmate is housed and				
10	maintained in a jail farm not under control of the sheriff, the rate shall be \$19 per inmate				
11	day, for inmates housed beginning December 1, 2023.				
12	2. For state responsible inmates--\$12 per inmate day through June 30, 2022, and \$15 per				
13	inmate day effective July 1, 2022.				
14	F. For the payment specified in paragraph E.1. of this Item for prisoners in alternative				
15	punishment or alternative to incarceration programs:				
16	1. Such payment is intended to be made for prisoners that would otherwise be housed in a				
17	local correctional facility. It is not intended for prisoners that would otherwise be				
18	sentenced to community service or placed on probation.				
19	2. No such payment shall be made unless the program has been approved by the				
20	Department of Corrections or the Department of Criminal Justice Services. Alternative				
21	punishment or alternative to incarceration programs, however, may include supervised				
22	work experience, treatment, and electronic monitoring programs.				
23	G.1. Except as provided for in paragraph G.2., and notwithstanding any other provisions				
24	of this Item, the Compensation Board shall provide payment to any locality with an				
25	average daily jail population of under ten in FY 1995 an inmate per diem rate of \$18 per				
26	day for local responsible inmates and \$12 per day for state responsible inmates held in				
27	these jails in lieu of personal service costs for corrections' officers.				
28	2. Any locality covered by the provisions of this paragraph shall be exempt from the				
29	provisions thereof provided that the locally elected sheriff, with the assistance of the				
30	Compensation Board, enters into good faith negotiations to house his prisoners in an				
31	existing local or regional jail. In establishing the per diem rate and capital contribution, if				
32	any, to be charged to such locality by a local or regional jail, the Compensation Board and				
33	the local sheriff or regional jail authority shall consider the operating support and capital				
34	contribution made by the Commonwealth, as required by §§ 15.2-1613, 15.2-1615.1, 53.1-				
35	80, and 53.1-81, Code of Virginia. The Compensation Board shall report periodically to				
36	the Chairs of the House Appropriations and Senate Finance and Appropriations				
37	Committees on the progress of these negotiations and may withhold the exemption				
38	granted by this paragraph if, in the board's opinion, the local sheriff fails to negotiate in				
39	good faith.				
40	H.1. The Compensation Board shall recover the state-funded costs associated with housing				
41	federal inmates, District of Columbia inmates or contract inmates from other states. The				
42	Compensation Board shall determine, by individual jail, the amount to be recovered by the				
43	Commonwealth by multiplying the jail's current inmate days for this population by the				
44	proportion of the jail's per inmate day salary funds provided by the Commonwealth, as				
45	identified in the most recent Jail Cost Report prepared by the Compensation Board.				
46	Beginning July 1, 2009, the Compensation Board shall determine, by individual jail, the				
47	amount to be recovered by the Commonwealth by multiplying the jail's current inmate				
48	days for this population by the proportion of the jail's per inmate day operating costs				
49	provided by the Commonwealth, excluding payments otherwise provided for in this Item,				
50	as identified in the most recent Jail Cost Report prepared by the Compensation Board. If a				
51	jail is not included in the most recent Jail Cost Report, the Compensation Board shall use				
52	the statewide average of per inmate day salary funds provided by the Commonwealth.				
53	2. The Compensation Board shall deduct the amount to be recovered by the				
54	Commonwealth from the facility's next quarterly per diem payment for state-responsible				

ITEM 73.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	and local-responsible inmates. Should the next quarterly per diem payment owed the locality				
2	not be sufficient against which to net the total quarterly recovery amount, the locality shall				
3	remit the remaining amount not recovered to the Compensation Board.				
4	3. Any local or regional jail which receives funding from the Compensation Board shall give				
5	priority to the housing of local-responsible, state-responsible, and state contract inmates, in				
6	that order, as provided in paragraph H.1.				
7	4. The Compensation Board shall not provide any inmate per diem payments to any local or				
8	regional jail which holds federal inmates in excess of the number of beds contracted for with				
9	the Department of Corrections, unless the Director, Department of Corrections, certifies to the				
10	Chairman of the Compensation Board that a) such contract beds are not required; b) the				
11	facility has operational capacity built under contract with the federal government; c) the				
12	facility has received a grant from the federal government for a portion of the capital costs; or				
13	d) the facility has applied to the Department of Corrections for participation in the contract				
14	bed program with a sufficient number of beds to meet the Department of Corrections' need or				
15	ability to fund contract beds at that facility in any given fiscal year.				
16	5. The Compensation Board shall apply the cost recovery methodology set out in paragraph				
17	H.1. of this Item to any jail which holds inmates from another state on a contractual basis.				
18	However, recovery in such circumstances shall not be made for inmates held pending				
19	extradition to other states or pending transfer to the Virginia Department of Corrections.				
20	6. The provisions of this paragraph shall not apply to any local or regional jail where the				
21	cumulative federal share of capital costs exceeds the Commonwealth's cumulative capital				
22	contribution.				
23	7. For a local or regional jail which operates bed space specifically built utilizing federal				
24	capital or grant funds for the housing of federal inmates and for which Compensation Board				
25	funding has never been authorized for staff for such bed space, the Compensation Board shall				
26	allow an exemption from the recovery provided in paragraph H.1. for a defined number of				
27	federal prisoners upon certification by the sheriff or superintendent that the federal				
28	government has paid for the construction of bed space in the facility or provided a grant for a				
29	portion of the capital cost. Such certification shall include specific funding amounts paid by				
30	the federal government, localities, and/or regional jail authorities, and the Commonwealth for				
31	the construction of bed space specifically built for the housing of federal inmates and for the				
32	construction of the jail facility in its entirety. The defined number of federal prisoners to be				
33	exempted from the recovery provided in paragraph H.1. shall be based upon the proportion of				
34	funding paid by the federal government and localities and/or regional jail authorities for the				
35	construction of bed space to house federal prisoners to the total funding paid by all sources,				
36	including the Commonwealth, for all construction costs for the jail facility in its entirety. For				
37	Western Tidewater Regional Jail, exemption from the recovery provided in paragraph H.1.				
38	shall apply to the first 76 federal inmates housed at the jail and for any inmate above 130				
39	housed at the jail at any given time.				
40	8. Beginning March 1, 2013, federal inmates placed in the custody of a regional jail pursuant				
41	to a work release program operated by the federal Bureau of Prisons shall be exempt from the				
42	recovery of costs associated with housing federal inmates pursuant to paragraph H.1. of this				
43	item if such federal inmates have been assigned by the federal Bureau of Prisons to a home				
44	electronic monitoring program in place for such inmates by agreement with the jail on or				
45	before January 1, 2012 and are not housed in the jail facility. However, no such exemption				
46	shall apply to any federal inmate while they are housed in the regional jail facility.				
47	I. Any amounts in the program Financial Assistance for Confinement of Inmates in Local and				
48	Regional Facilities, may be transferred between Items 72 and 73, as needed, to cover any				
49	deficits incurred in the programs Financial Assistance for Sheriffs' Offices and Regional Jails				
50	and Financial Assistance for Confinement of Inmates in Local and Regional Facilities.				
51	J.1. The Compensation Board shall provide an annual report on the number and diagnoses of				
52	inmates with mental illnesses in local and regional jails, the treatment services provided, and				
53	expenditures on jail mental health programs. The report shall be prepared in cooperation with				
54	the Virginia Sheriffs Association, the Virginia Association of Regional Jails, the Virginia				
55	Association of Community Services Boards, and the Department of Behavioral Health and				
56	Developmental Services, and shall be coordinated with the data submissions required for the				

ITEM 73.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	annual jail cost report. Copies of this report shall be provided by November 1 of each year				
2	to the Governor, Director, Department of Planning and Budget, and the Chairs of the				
3	Senate Finance and Appropriations and House Appropriations Committees.				
4	2. Whenever a person is admitted to a local or regional correctional facility, the staff of the				
5	facility shall screen such person for mental illness using a scientifically validated				
6	instrument. The Commissioner of Behavioral Health and Developmental Services shall				
7	designate the instrument to be used for the screenings and such instrument shall be				
8	capable of being administered by an employee of the local or regional correctional facility,				
9	other than a health care provider, provided that such employee is trained in the				
10	administration of such instrument.				
11	K. Out of the amounts appropriated in this item, \$215,939 the first year and \$215,939 the				
12	second year from the general fund is provided for the purpose of reimbursing the County				
13	of Nottoway for the expense of confining residents of the Virginia Center for Behavioral				
14	Rehabilitation arrested for new offenses and held in Piedmont Regional Jail at the expense				
15	of the County. Reimbursements by the Board are to be made quarterly, and shall be equal				
16	to demonstrated costs incurred by the County of Nottoway for confinement of these				
17	individuals, and shall not exceed the amounts provided in this paragraph for each fiscal				
18	year. Demonstrated costs may include expenses incurred in the last month of the prior				
19	fiscal year if not previously reimbursed. The County of Nottoway, the Virginia Center for				
20	Behavioral Rehabilitation, and Piedmont Regional Jail shall upon request provide the				
21	Compensation Board any information and assistance it determines is necessary to				
22	calculate amounts to be reimbursed to the County of Nottoway.				
23	74. Not set out.				
24	75. Not set out.				
25	76. Not set out.				
26	77. Not set out.				
27	78. Not set out.				
28	79. Not set out.				
29	Total for Compensation Board.....			\$826,608,111	\$858,557,415
30					\$841,308,725
31	General Fund Positions.....	21.00	21.00		
32	Nongeneral Fund Positions.....	1.00	1.00		
33	Position Level.....	22.00	22.00		
34	Fund Sources: General.....	\$810,012,233	\$841,961,537		
35			\$824,712,847		
36	Trust and Agency.....	\$8,003,370	\$8,003,370		
37	Dedicated Special Revenue.....	\$8,592,508	\$8,592,508		
38	80. Not set out.				
39	81. Not set out.				
40	82. Not set out.				
41	83. Not set out.				
42	84. Not set out.				
43	85. Not set out.				

ITEM 86.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	86.	Not set out.				
2	87.	Not set out.				
3	88.	Not set out.				
4	89.	Not set out.				
5	90.	Not set out.				
6	91.	Not set out.				
7	92.	Not set out.				
8	93.	Not set out.				
9	94.	Not set out.				
10	TOTAL FOR OFFICE OF ADMINISTRATION.....				<b>\$4,068,056,357</b>	<b>\$4,077,560,420</b>
11						<b>\$4,060,311,730</b>
12	General Fund Positions.....		456.90	454.90		
13	Nongeneral Fund Positions.....		787.50	823.50		
14	Position Level.....		1,244.40	1,278.40		
15	Fund Sources: General.....		\$886,289,698	<del>\$910,451,222</del>		
16				\$893,202,532		
17	Special.....		\$22,825,132	\$23,546,132		
18	Enterprise.....		\$631,969,447	\$631,994,109		
19	Internal Service.....		\$2,351,204,710	\$2,357,197,983		
20	Trust and Agency.....		\$138,365,306	\$138,365,306		
21	Dedicated Special Revenue.....		\$8,592,508	\$8,592,508		
22	Federal Trust.....		\$28,809,556	\$7,413,160		



ITEM 95.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	OFFICE OF AGRICULTURE AND FORESTRY			
2	95.	Not set out.		
3	§ 1-2. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (301)			
4	96.	Not set out.		
5	97.	Not set out.		
6	98.	Agricultural Industry Marketing, Development,		
7		Promotion, and Improvement (53200).....		\$24,854,689
8				\$24,235,814
9		Grading and Certification of Virginia Products		
10		(53201).....	\$7,846,952	\$7,846,952
11		Milk Marketing Regulation (53204).....	\$888,753	\$888,753
12		Marketing Research (53205).....	\$313,200	\$313,200
13		Market Virginia Agricultural and Forestry		
14		Products Nationally and Internationally (53206).....	\$5,343,927	\$5,343,927
15		Agricultural Commodity Boards (53208).....	\$8,540,393	\$7,921,518
16				\$9,073,417
17		Agribusiness Development Services and Farmland		
18		Preservation (53209).....	\$1,921,464	\$1,921,464
19		Fund Sources: General.....	\$11,111,463	\$10,492,588
20				\$11,644,487
21		Special.....	\$158,125	\$158,125
22		Trust and Agency.....	\$7,285,070	\$7,285,070
23		Dedicated Special Revenue.....	\$5,579,133	\$5,579,133
24		Federal Trust.....	\$720,898	\$720,898
25	Authority: Title 3.2, Chapters 1, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26,			
26	27, 30, 32, 34, 35; Title 28.2, Chapter 2; and Title 61.1, Chapter 4, Code of Virginia.			
27	A. Agricultural Commodity Boards shall be paid from the special fund taxes levied in the			
28	following estimated amounts:			
29	1. To the Tobacco Board, \$143,000 the first year and \$143,000 the second year.			
30	2. To the Corn Board, \$390,000 the first year and \$390,000 the second year.			
31	3. To the Egg Board, \$210,000 the first year and \$210,000 the second year.			
32	4. To the Soybean Board, \$1,164,000 the first year and \$1,164,000 the second year.			
33	5. To the Peanut Board, \$320,000 the first year and \$320,000 the second year.			
34	6. To the Cattle Industry Board, \$800,000 the first year and \$800,000 the second year.			
35	7. To the Virginia Small Grains Board, \$400,000 the first year and \$400,000 the second			
36	year.			
37	8. To the Virginia Horse Industry Board, \$320,000 the first year and \$320,000 the second			
38	year.			
39	9. To the Virginia Sheep Industry Board, \$35,000 the first year and \$35,000 the second			
40	year.			
41	10. To the Virginia Potato Board, \$25,000 the first year and \$25,000 the second year.			
42	11. To the Virginia Cotton Board, \$180,000 the first year and \$180,000 the second year.			
43	12. To the State Apple Board, \$150,000 the first year and \$150,000 the second year.			

ITEM 98.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	B. Each commodity board is authorized to expend funds in accordance with its authority as				
2	stated in the Code of Virginia. Such expenditures will be limited to available revenue levels.				
3	C. Each commodity board specified in this Item shall provide an annual notification to its				
4	excise tax paying producers which summarizes the purpose of the board and the excise tax,				
5	current tax rate, amount of excise taxes collected in the previous tax year, the previous fiscal				
6	year expenditures and the board's past year activities. The manner of notification shall be				
7	determined by each board.				
8	D. Out of the amounts in this Item shall be paid from certain special fund license taxes,				
9	license fees, and permit fees levied or imposed under Title 28.2, Chapters 2, 3, 4, 5, 6 and 7,				
10	Code of Virginia, to the Virginia Marine Products Board, \$402,543 and two positions the first				
11	year and \$402,543 and two positions the second year.				
12	E.1. Out of the amounts in this Item, \$2,514,048 the first year and \$2,514,048 the second year				
13	from the general fund shall be deposited to the Virginia Wine Promotion Fund as established				
14	in § 3.2-3005, Code of Virginia.				
15	2. Out of the amounts provided in this item, \$125,000 the first year from the general fund is				
16	provided to support the Wine Board of Virginia for the purpose of developing vinifera-style				
17	wine grapes adapted to the Mid-Atlantic region.				
18	F. Out of the amounts in this Item, \$952,375 the first year <del>the general fund and an amount the</del>				
19	<del>second year to be provided consistent with the provisions of Chapters 84 and 85 of the Acts of</del>				
20	<del>Assembly of 2022 and \$1,151,899 the second year from the general fund</del> shall be deposited to				
21	the Virginia Spirits Promotion Fund established pursuant to § 3.2-3012, Code of Virginia.				
22	G. Out of the amounts in this Item, \$875,000 the first year and \$875,000 the second year from				
23	the general fund shall be deposited to the Virginia Farmland Preservation Fund established in				
24	§ 3.2-201, Code of Virginia. This appropriation shall be deemed sufficient to meet the				
25	provisions of § 2.2-1509.4, Code of Virginia.				
26	H. Out of the amounts in this Item, \$30,000 the first year and \$30,000 the second year from				
27	the general fund is provided to support a pilot partnership between the Department and				
28	Virginia State University's (VSU) Small Farm Management Agents to increase diversity of				
29	program participants, with an emphasis on small, socially disadvantaged, BIPOC, new and				
30	beginning, veteran and women farmers and landowners.				
31	I. Out of the amounts in this Item, the Commissioner is authorized to expend from the general				
32	fund amounts not to exceed \$25,000 the first year and \$25,000 the second year for				
33	entertainment expenses commonly borne by businesses. Further, such expenses shall be				
34	recorded separately by the agency.				
35	J. Out of the amounts in this Item, the Commissioner is authorized to expend \$1,120,226 the				
36	first year and \$1,120,226 the second year from the general fund for the promotion of				
37	Virginia's agricultural products overseas. Such efforts shall be conducted in concert with the				
38	international offices opened by the Virginia Economic Development Partnership.				
39	K. Out of the amounts in this Item, \$250,000 the first year and \$250,000 the second year from				
40	the general fund is provided for the Department's efforts to support the International Trade				
41	Plan.				
42	L. Out of the amounts in this Item, \$25,000 the first year and \$25,000 the second year from				
43	the general fund shall be provided to support 4-H and Future Farmers of America youth				
44	participation educational costs at the State Fair of Virginia. These funds shall not be used for				
45	administrative costs by the State Fair.				
46	M. Out of the amounts for this Item, \$458,500 the second year from the general fund and two				
47	positions are provided to establish the Virginia Beer Distribution Company, consistent with				
48	the provisions of § 3.2-102, Code of Virginia.				
49	99. Not set out.				
50	100. Not set out.				

ITEM 101.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	101.	Not set out.				
2	102.	Not set out.				
3	103.	Not set out.				
4	104.	Not set out.				
5	105.	Not set out.				
6	106.	Not set out.				
7	107.	Not set out.				
8	Total for Department of Agriculture and Consumer					
9	Services.....				\$88,495,929	<del>\$88,407,054</del>
10						\$89,558,953
11	General Fund Positions.....		359.49	376.49		
12	Nongeneral Fund Positions.....		222.51	232.51		
13	Position Level.....		582.00	609.00		
14	Fund Sources: General.....		\$49,249,000	<del>\$49,165,125</del>		
15				\$50,317,024		
16	Special.....		\$7,518,148	\$7,518,148		
17	Trust and Agency.....		\$7,453,864	\$7,453,864		
18	Dedicated Special Revenue.....		\$10,842,027	\$10,837,027		
19	Federal Trust.....		\$13,432,890	\$13,432,890		
20	108.	Not set out.				
21	109.	Not set out.				
22	110.	Not set out.				
23	111.	Not set out.				
24	TOTAL FOR OFFICE OF AGRICULTURE AND					
25	FORESTRY.....				\$140,225,694	<del>\$134,559,989</del>
26						\$135,711,888
27	General Fund Positions.....		528.08	545.08		
28	Nongeneral Fund Positions.....		345.92	355.92		
29	Position Level.....		874.00	901.00		
30	Fund Sources: General.....		\$78,419,987	<del>\$72,759,282</del>		
31				\$73,911,181		
32	Special.....		\$25,099,502	\$25,099,502		
33	Trust and Agency.....		\$7,474,864	\$7,474,864		
34	Dedicated Special Revenue.....		\$11,508,298	\$11,503,298		
35	Federal Trust.....		\$17,723,043	\$17,723,043		

ITEM 112.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	OFFICE OF COMMERCE AND TRADE			
2	§ 1-3. SECRETARY OF COMMERCE AND TRADE (192)			
3	112.	Not set out.		
4	Economic Development Incentive Payments (312)			
5	113.	Economic Development Services (53400).....	\$155,583,083	<del>\$414,366,290</del>
6				<del>\$412,113,433</del>
7		Financial Assistance for Economic Development		
8		(53410).....	\$155,583,083	<del>\$414,366,290</del>
9				<del>\$412,113,433</del>
10		Fund Sources: General.....	\$155,433,083	<del>\$414,216,290</del>
11				<del>\$411,963,433</del>
12		Dedicated Special Revenue.....	\$150,000	\$150,000
13	Authority: Discretionary Inclusion.			
14	A.1. Out of the appropriation for this Item, \$19,750,000 the first year and \$19,750,000 the			
15	second year from the general fund shall be deposited to the Commonwealth's Development			
16	Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds shall be used at			
17	the discretion of the Governor, subject to prior consultation with the Chairmen of the House			
18	Appropriations and Senate Finance and Appropriations Committees, to attract economic			
19	development prospects to locate or expand in Virginia. If the Governor, pursuant to the			
20	provisions of § 2.2-115, E.1., Code of Virginia, determines that a project is of regional or			
21	statewide interest and elects to waive the requirement for a local matching contribution, such			
22	action shall be included in the report on expenditures from the Commonwealth's Development			
23	Opportunity Fund required by § 2.2-115, F., Code of Virginia. Such report shall include an			
24	explanation on the jobs anticipated to be created, the capital investment made for the project,			
25	and why the waiver was provided.			
26	2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans			
27	shall be approved by the Governor and made in accordance with procedures established by			
28	the Virginia Economic Development Partnership and approved by the State Comptroller.			
29	Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid			
30	to the general fund of the state treasury. The Governor may establish the interest rate to be			
31	charged, otherwise, any interest charged shall be at market rates as determined by the State			
32	Treasurer and shall be indicative of the duration of the loan. The Virginia Economic			
33	Development Partnership shall be responsible for monitoring repayment of such loans and			
34	reporting the receivables to the State Comptroller as required.			
35	3. Funds may be used for public and private utility extension or capacity development on and			
36	off site; road, rail, or other transportation access costs beyond the funding capability of			
37	existing programs; site acquisition; grading, drainage, paving, and other activity required to			
38	prepare a site for construction; construction or build-out of publicly-owned buildings; grants			
39	or loans to an industrial development authority, housing and redevelopment authority, or other			
40	political subdivision pursuant to their duties or powers; training; or anything else permitted by			
41	law.			
42	4. Consideration should be given to economic development projects that 1) are in areas of			
43	high unemployment; 2) link commercial development along existing transportation/transit			
44	corridors within regions; and 3) are located near existing public infrastructure.			
45	5. It is the intent of the General Assembly that the Virginia Economic Development			
46	Partnership shall work with localities awarded grants from the Commonwealth's Development			
47	Opportunity Fund to recover such moneys when the economic development projects fail to			
48	meet minimal agreed-upon capital investment and job creation targets. All such recoveries			
49	shall be deposited and credited to the Commonwealth's Development Opportunity Fund.			
50	B.1. Out of the appropriation for this Item, \$2,910,000 the first year and <del>\$2,786,350</del>			

ITEM 113.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	\$2,276,350 the second year from the general fund shall be deposited to the Investment				
2	Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used				
3	to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia.				
4	2. Consideration should be given to economic development projects that 1) are in areas of				
5	high unemployment; 2) link commercial development along existing transportation/transit				
6	corridors within regions; and 3) are located near existing public infrastructure.				
7	C. Out of the appropriation for this Item, \$4,000,000 the first year and \$5,000,000 the				
8	second year from the general fund and an amount estimated at \$150,000 the first year and				
9	\$150,000 the second year from nongeneral funds shall be deposited to the Governor's				
10	Motion Picture Opportunity Fund, as established in § 2.2-2320, Code of Virginia. These				
11	nongeneral fund revenues shall be deposited to the fund from revenues generated by the				
12	digital media fee established pursuant to § 58.1-1731, et seq., Code of Virginia. Such				
13	funds shall be used at the discretion of the Governor to attract film industry production				
14	activity to the Commonwealth.				
15	D.1. Out of the appropriation for this Item, \$1,200,000 the first year and \$2,869,000 the				
16	second year from the general fund shall be deposited to the Virginia Economic				
17	Development Incentive Grant subfund of the Virginia Investment Partnership Grant Fund				
18	to be used to pay investment performance grants in accordance with § 2.2-5102.1, Code of				
19	Virginia. Notwithstanding any other provision of law, any excess funds remaining in the				
20	subfund from prior fiscal years for projects previously approved shall be appropriated for				
21	expenditure in subsequent fiscal years.				
22	2. Consideration should be given to economic development projects that 1) are in areas of				
23	high unemployment; 2) link commercial development along existing transportation/transit				
24	corridors within regions; and 3) are located near existing public infrastructure.				
25	E. Out of the appropriation for this Item, \$4,669,833 the first year and \$4,669,833 the				
26	second year from the general fund shall be available for eligible businesses under the				
27	Virginia Jobs Investment Program. Pursuant to § 2.2-1611, Code of Virginia, the				
28	appropriation provided for the Virginia Jobs Investment Program for eligible businesses				
29	shall be deposited to the Virginia Jobs Investment Program Fund.				
30	F. Out of the appropriation for this Item, \$500,000 the first year and \$500,000 the second				
31	year from the general fund may be provided to the Virginia Economic Development				
32	Partnership to facilitate additional domestic and international marketing and trade				
33	missions approved by the Governor. The Director, Department of Planning and Budget, is				
34	authorized to provide these funds to the Virginia Economic Development Partnership				
35	upon written approval of the Governor.				
36	G. Out of the appropriation in this Item, \$8,000,000 the first year and \$8,000,000 second				
37	year from the general fund shall be deposited to the Advanced Shipbuilding Production				
38	Facility Grant Fund for grants to be paid in accordance with § 59.1-284.29, Code of				
39	Virginia.				
40	H. Out of the appropriation in this Item, \$300,000 the first year and <del>\$1,742,857 the second</del>				
41	<del>year</del> from the general fund shall be deposited to the Truck Manufacturing Grant Fund for				
42	grants to be paid in accordance with § 59.1-284.33, Code of Virginia.				
43	I.1. Out of the appropriation in this Item, \$2,993,750 the first year and \$2,993,750 the				
44	second year from the general fund shall be deposited to the Pharmaceutical Manufacturing				
45	Grant Fund for grants to be paid in accordance with § 59.1-284.36, Code of Virginia.				
46	2. Of the amounts deposited to the fund, \$2,500,000 the first year and \$2,500,000 the				
47	second year may be awarded as grants to a qualified pharmaceutical company in a				
48	qualified locality pursuant to § 59.1-284.35 and 59.1-284.36, Code of Virginia.				
49	3. Of the amounts deposited to the fund, \$493,750 the first year and \$493,750 the second				
50	year may be awarded as grants to a comprehensive community college and a baccalaureate				
51	public institution of higher education in or near the eligible county pursuant to § 59.1-				
52	284.37, Code of Virginia.				
53	J. Out of the appropriation in this Item, \$1,300,000 the first year and \$1,300,000 the				

ITEM 113.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	second year from the general fund shall be deposited to the Advanced Production Grant Fund				
2	for grants to be paid in accordance with § 59.1-284.34, Code of Virginia.				
3	K.1. Out of the amounts in this Item, \$825,000 the first year and \$825,000 the second year				
4	from the general fund shall be deposited to the Governor's New Airline Service Incentive				
5	Fund to assist in the provision of marketing, advertising, or promotional activities by airlines				
6	in connection with the launch of new air passenger service at Virginia airports, and to				
7	incentivize airlines that have committed to commencing new air passenger service in Virginia,				
8	pursuant to the provisions of § 2.2-2320.1, Code of Virginia.				
9	2. Notwithstanding the provisions of § 2.2-2320.1, Code of Virginia, 25 percent of the annual				
10	appropriation to the Governor's New Airline Service Incentive Fund shall be set aside for				
11	projects in Virginia commercial airports with less than 400,000 enplanements per calendar				
12	year for the purposes of economic development in these areas. Enplanement data shall come				
13	from the Federal Aviation Administration.				
14	L. Out of the appropriation in this Item, \$5,625,000 the first year and \$5,625,000 the second				
15	year from the general fund shall be deposited to the Technology Development Grant Fund for				
16	grants to be paid in accordance with § 59.1-284.38, Code of Virginia.				
17	M. Out of the appropriation in this Item, \$1,359,500 the first year and \$1,154,500 the second				
18	year from the general fund shall be deposited to the Shipping and Logistics Headquarters				
19	Grant Fund for grants to be paid in accordance with § 59.1-284.39, Code of Virginia.				
20	O.1. Out of the appropriation in this Item, \$42,500,000 the first year and \$78,000,000 the				
21	second year from the general fund shall be deposited to the Major Headquarters Workforce				
22	Grant Fund for grants to be paid in accordance with § 59.1-284.31, Code of Virginia.				
23	2. Of the amounts included in the second year, \$35,500,000 represents the appropriation of				
24	excess fiscal year 2022 general fund revenues reserved by the Comptroller in the Committed				
25	Fund balance pursuant to Item 485 L. of this act.				
26	P.1. Out of the appropriation in this item, \$54,500,000 the first year, and \$179,500,000 the				
27	second year from the general fund shall be provided for the Virginia Business Ready Sites				
28	Program Fund, and shall be used in accordance with the provisions of Chapter 83 of the 2022				
29	Acts of Assembly. As a condition of the grants awarded from these funds, the Virginia				
30	Economic Development Partnership Authority shall require grant recipients to provide				
31	matching funds.				
32	2. It is the intent of the General Assembly that the Virginia Economic Development				
33	Partnership Authority consider investing these funds in economic development sites over				
34	1,000 acres ("mega-sites"), and smaller sites of at least 50 acres concentrated in GO Virginia				
35	Regions 1 and 2.				
36	3. Notwithstanding the provisions of Chapter 83 of the 2022 Acts of Assembly, the Virginia				
37	Economic Development Partnership Authority may reimburse localities, without a local				
38	match requirement, for fees associated with rezoning land for the purpose of building a				
39	portfolio of strategic economic development sites in Virginia from the funds provided in this				
40	paragraph.				
41	4. The Virginia Economic Development Partnership Authority may use up to \$19,000,000 of				
42	the funds provided in this paragraph for an economic development project approved by the				
43	MEI Project Approval Commission on May 17, 2022.				
44	5. Of the amounts included in the second year, \$50,000,000 represents the appropriation of				
45	excess fiscal year 2022 general fund revenues reserved by the Comptroller in the Committed				
46	Fund balance pursuant to Item 485 L. of this act.				
47	Q. Included in the amounts in this item, \$5,000,000 the first year from the general fund is				
48	provided to the Frederick County Economic Development Authority for regional economic				
49	development initiatives and construction or improvements to facilities that support the growth				
50	of small aerospace, avionics, and unmanned systems companies in Planning District 7. Prior				
51	to the release of any funds to the Authority, documentation shall be provided, to the				
52	satisfaction of the Secretary of Commerce and Trade and the Secretary of Finance, that				
53	matching funding, exclusive of in-kind contributions or currently pledged amounts, from local				

ITEM 113.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	or other non-state sources are available to be pledged to the project. Funding shall be				
2	released only upon the written approval of the Governor and any funding not awarded by				
3	June 30, 2023 shall revert to the general fund.				
4	R. The State Comptroller shall continue the Property Analytics Firm Infrastructure Fund				
5	as established in Item 112, Paragraph S. of House Bill 29, 2022 General Assembly,				
6	Special Session I. All moneys in this Fund shall be used as provided for in Item 112,				
7	Paragraph S. of House Bill 29, 2022 General Assembly, Special Session I.				
8	S. Notwithstanding any other provision of law to the contrary, a data center operator that				
9	was approved by the MEI Project Approval Commission for a grant from the Cloud				
10	Computing Cluster Infrastructure Grant Fund on December 13, 2022, shall be eligible to				
11	receive grants beginning with the Commonwealth's fiscal year starting on July 1, 2025,				
12	and ending no later than the Commonwealth's fiscal year starting on July 1, 2044, and not				
13	to exceed \$140.0 million, subject to the terms of a memorandum of understanding (MOU)				
14	entered into between such data center operator and the Commonwealth. The amount of the				
15	fiscal year grant payment for each fiscal year shall be calculated based upon an award of				
16	\$8,642 for each new full-time job created by the qualified company in the prior calendar				
17	year, and an award of \$3,364 for each \$1.0 million of capital investment by the qualified				
18	company in the prior calendar year. Prior calendar year performance for calendar year				
19	2024 shall include capital investments made and jobs created by the company in 2023.				
20	T.1. Out of this appropriation, \$10,000,000 the second year from the general fund is				
21	provided for the development of an inland port in the Mount Rogers Planning District. The				
22	Virginia Port Authority shall acquire, plan, design, and develop a site for the				
23	establishment of an inland port in the Mount Rogers Planning District. The Virginia Port				
24	Authority and the Virginia Economic Development Partnership Authority shall develop a				
25	business recruitment strategy for the inland port and the surrounding area to provide for				
26	rapid development and utilization of the facility. The Virginia Port Authority, in				
27	consultation with the Virginia Economic Development Partnership Authority, shall				
28	provide recommendations to the Governor, the Secretary of Transportation, and the				
29	Secretary of Commerce and Trade and the Chairs of the House Appropriations and Senate				
30	Finance and Appropriations Committees on any additional infrastructure improvements				
31	needed to maximize the economic benefit of the inland port by December 1, 2023.				
32	2. The Director of the Department of Planning and Budget is authorized to transfer				
33	moneys from this paragraph on a quarterly basis to the Virginia Port Authority. The				
34	Virginia Port Authority shall verify to the Secretary of Finance and the Director of the				
35	Department of Planning and Budget estimated quarterly expenses prior to the release of				
36	these funds. Any funding remaining at the end of the fiscal year 2024 shall be carried				
37	forward into the next fiscal year for the purposes described in this paragraph.				
38	3. The Virginia Port Authority may collaborate with the Virginia Department of Rail and				
39	Public Transportation, Virginia Department of Transportation, the Virginia Economic				
40	Development Partnership Authority, and any federal, state, or local agency as may be				
41	necessary to support the development and utilization of an inland port. The Virginia Port				
42	Authority shall engage in negotiations with necessary parties, including railroads and				
43	beneficial cargo owners, for development of the inland port.				
44	4. The Virginia Port Authority shall report quarterly to the Governor, the Secretary of				
45	Transportation, the Secretary of Commerce and Trade, and the Virginia Economic				
46	Development Partnership Authority, and the Chairs of the House Appropriations and				
47	Senate Finance and Appropriations Committees on the timeline, progress to date, and				
48	overall cost for the construction of the inland port. The first of these reports shall be due				
49	December 1, 2023.				
50	U.1. Out of the appropriation in this Item, \$8,500,000 the second year from the general				
51	fund shall be provided to the Economic Development Authority of York County for				
52	support of a cruise ship port-of-call location and related visitor support and tourism on the				
53	York River at Yorktown, Virginia. Prior to the award of any funds included in this item,				
54	the Secretary of Commerce and Trade and the Secretary of Transportation shall ensure				
55	that: (i) there is an agreement with at least one cruise ship company for calls at the pier				
56	location beginning in 2023; (ii) a working group is convened among state and local				
57	agencies related to the permitting of the pier location to facilitate its development; (iii)				

ITEM 113.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	there is outreach to tourism and other stakeholders in the region to maximize the economic				
2	impact of the pier location; (iv) the agreement will result in a positive return to the state for its				
3	investment; and (v) there is a plan to maximize philanthropic support, federal matching funds,				
4	and other funding necessary to construct and maintain the pier location. Following the				
5	completion of these items and the final approval from the Secretary of Commerce and Trade				
6	and Secretary of Transportation, the funds shall be awarded. The Secretaries shall enter into a				
7	memorandum of understanding with the Economic Development Authority of York County to				
8	outline the framework for the funding, design, procurement, and construction of the pier				
9	location, a plan for its ongoing maintenance, and to maximize the economic and tourism				
10	benefits of this facility to the Commonwealth.				
11	2. The funding appropriated in this paragraph includes \$1,000,000 the second year for				
12	development and implementation of transit system improvements in conjunction with the				
13	Colonial Williamsburg Foundation to provide ground transportation from the tender pier				
14	facility to sites within the historic triangle.				
15	3. Should the Secretary of Commerce and Trade and the Secretary of Transportation fail to				
16	recommend proceeding with the development of the pier location, the funds in paragraph U.1.				
17	shall revert to the general fund.				
18	V. Out of this appropriation, up to \$6,000,000 the second year from the general fund shall be				
19	made available as an incentive payment, if the valuation of the property is negative and the				
20	bid is negative, to the winning purchaser of the Central Virginia Training Center property in				
21	Madison Heights, Virginia. As part of the sale of the property, the Department of General				
22	Services shall inform any potential offeror of the availability of this funding for remediation				
23	efforts on the property and that any proposal must include complete remediation and removal				
24	of existing derelict buildings, excluding those that can be rehabilitated and must be brought up				
25	to building code standards and are included in the proposed development for such use, and				
26	removal of all debris from the property within 12 months after the change in ownership prior				
27	to the incentive payment being paid to the purchaser. As part of the sale of the property, the				
28	Department of General Services shall require a performance bond for the restoration and				
29	remediation of the property.				
30	W. Out of the appropriation in this Item, \$75,000,000 the second year from the general fund				
31	shall be deposited to the Virginia Business Ready Sites Acquisition Fund and used in				
32	accordance with provisions of Chapter 779, 2023 Acts of Assembly, establishing the Virginia				
33	Business Ready Sites Acquisition Program and Fund to expand Virginia's portfolio of				
34	industrial properties for large-scale economic development projects. <i>The purchases of</i>				
35	<i>property through the Virginia Business Ready Sites Acquisition Fund are not subject to</i>				
36	<i>provisions § 2.2-1132, Code of Virginia, and § 2.0 and § 4-4.01 of this act. The Director,</i>				
37	<i>Department of Planning and Budget, is authorized to transfer funding from these amounts to</i>				
38	<i>the Department of General Services for the acquisition of property on the Eastern Shore in</i>				
39	<i>support of an economic development project.</i>				
40	Total for Economic Development Incentive				
41	Payments.....			\$155,583,083	<del>\$414,366,290</del>
42					\$412,113,433
43	Fund Sources: General.....	\$155,433,083	<del>\$414,216,290</del>		
44			\$411,963,433		
45	Dedicated Special Revenue.....	\$150,000	\$150,000		
46	Grand Total for Secretary of Commerce and Trade.....			\$156,739,839	<del>\$415,523,046</del>
47					\$413,270,189
48	General Fund Positions.....	9.00	9.00		
49	Position Level.....	9.00	9.00		
50	Fund Sources: General.....	\$156,589,839	<del>\$415,373,046</del>		
51			\$413,120,189		
52	Dedicated Special Revenue.....	\$150,000	\$150,000		
53	114. Not set out.				
54	115. Not set out.				



ITEM 116.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	116.	Not set out.				
2	117.	Not set out.				
3	118.	Not set out.				
4	119.	Not set out.				
5	120.	Not set out.				
6	121.	Not set out.				
7	122.	Not set out.				
8	123.	Not set out.				
9	<b>§ 1-4. FORT MONROE AUTHORITY (360)</b>					
10	124.	Economic Development Services (53400).....			\$6,840,947	<del>\$6,597,351</del>
11						\$9,097,351
12		Administrative Services (53422).....	\$6,840,947	<del>\$6,597,351</del>		
13				\$9,097,351		
14		Fund Sources: General.....	\$6,840,947	<del>\$6,597,351</del>		
15				\$9,097,351		
16		Authority: Title 2.2, Chapter 22, Code of Virginia.				
17		A.1. Out of the amounts in this Item, \$6,840,947 the first year and <del>\$6,597,351</del> \$9,097,351				
18		the second year from the general fund shall be provided for the Commonwealth's share of				
19		the estimated operating expenses of the Fort Monroe Authority (FMA). This appropriation				
20		represents the Commonwealth's share of the FMA's estimated operating expenses. These				
21		expenses may not be reimbursed by the federal government and shall be reduced by any				
22		federal funding the authority may receive for expenditures funded through the				
23		Commonwealth's contribution that ultimately qualify for federal reimbursement. Any such				
24		reimbursements shall be repaid to the general fund. The State Comptroller shall disburse				
25		the first and second year appropriations in twelve equal monthly installments.				
26		2. All moneys of the FMA, from whatever source derived, shall be paid to the treasurer of				
27		the FMA. The Auditor of Public Accounts or his legally authorized representatives shall				
28		annually examine the accounts of the books of the FMA.				
29		3. Employees of the FMA shall be eligible for membership in the Virginia Retirement				
30		System and participation in all of the health and related insurance and other benefits,				
31		including premium conversion and flexible benefits, available to state employees as				
32		provided by law.				
33		4. Pursuant to § 2.2-2338, Code of Virginia, the Board of Trustees of the FMA shall be				
34		deemed a state public body and may meet by electronic communication means in				
35		accordance with the requirements set forth in § 2.2-3708, Code of Virginia. Electronic				
36		communication shall mean the same as that term is defined in § 2.2-3701, Code of				
37		Virginia.				
38		5. Notwithstanding any other provision of law or agreement, the amount paid from all				
39		sources of funds by the FMA to the City of Hampton pursuant to § 2.2-2342, Code of				
40		Virginia, shall not exceed \$983,960 the first year and \$983,960 the second year.				
41		B. Out of this appropriation, \$545,349 the first year and \$301,753 the second year from				
42		the general fund is provided to create a facilities maintenance department.				
43		Total for Fort Monroe Authority.....			\$6,840,947	<del>\$6,597,351</del>
44						\$9,097,351

ITEM 124.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Fund Sources: General.....	\$6,840,947	\$6,597,351		
2			\$9,097,351		
3	<b>§ 1-5. VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP (310)</b>				
4	125. Economic Development Services (53400).....			\$48,504,192	\$50,812,792
5					\$50,077,792
6	Economic Development Services (53412).....	\$48,504,192	\$50,812,792		
7			\$50,077,792		
8	Fund Sources: General.....	\$48,504,192	\$50,812,792		
9			\$50,077,792		
10	Authority: Title 2.2, Chapter 22, Article 4 and Chapter 51; and § 15.2-941, Code of Virginia.				
11	A. Upon authorization of the Governor, the Virginia Economic Development Partnership may				
12	transfer funds appropriated to it by this act to a nonstock corporation.				
13	B. Prior to July 1 of each fiscal year, the Virginia Economic Development Partnership shall				
14	provide to the Chairs of the House Appropriations and Senate Finance and Appropriations				
15	Committees and the Director, Department of Planning and Budget a report of its operational				
16	plan. Prior to November 1 of each fiscal year, the Partnership shall provide to the Chairs of				
17	the House Appropriations and Senate Finance and Appropriations Committees and the				
18	Director, Department of Planning and Budget a detailed expenditure report and a listing of the				
19	salaries and bonuses for all partnership employees for the prior fiscal year. All three reports				
20	shall be prepared in the formats as previously approved by the Department of Planning and				
21	Budget.				
22	C. In developing the criteria for any pay for performance plan, the board shall include, but not				
23	be limited to, these variables: 1) the number of economic development prospects committed				
24	to move to or expand operations in Virginia; 2) dollar investment made in Virginia for land				
25	acquisition, construction, buildings, and equipment; 3) number of full-time jobs directly				
26	related to an economic development project; and 4) location of the project. To that end, the				
27	pay for performance plan shall be weighted to recognize and reward employees who				
28	successfully recruit new economic development prospects or cause existing prospects to				
29	expand operations in localities with fiscal stress greater than the statewide average. Fiscal				
30	Stress shall be based on the Index published by the Commission on Local Government. If a				
31	prospect is physically located in more than one contiguous locality, the highest Fiscal Stress				
32	Index of the participating localities will be used.				
33	D. The State Comptroller shall disburse the first and second year appropriations in twelve				
34	equal monthly installments. The Director, Department of Planning and Budget may authorize				
35	an increase in disbursements for any month, not to exceed the total appropriation for the fiscal				
36	year, if such an advance is necessary to meet payment obligations.				
37	E. The Virginia Economic Development Partnership shall provide administrative and support				
38	services for the Virginia Tourism Authority as prescribed in the Memorandum of Agreement				
39	until July 1, 2024, or until the authority is able to provide such services.				
40	F. The Virginia Economic Development Partnership shall report one month after the close of				
41	each quarter to the Chairs of the Senate Finance and Appropriations and House				
42	Appropriations Committees on the Commonwealth's Development Opportunity Fund. The				
43	report shall include, but not be limited to, total appropriations made or transferred to the fund,				
44	total grants awarded, cash balances, and balances available for future commitments.				
45	G. Prior to purchasing airline and hotel accommodations related to overseas trade shows, the				
46	Virginia Economic Development Partnership shall provide an itemized list of projected costs				
47	for review by the Secretary of Commerce and Trade.				
48	H.1. Out of the amounts in this Item, \$2,250,000 in the first year and \$2,250,000 in the second				
49	year from the general fund shall be deposited in the Virginia Brownfields Restoration and				
50	Economic Redevelopment Assistance Fund established pursuant to § 10.1-1237, Code of				
51	Virginia.				
52	2. Guidelines developed by the Virginia Economic Development Partnership, in consultation				

ITEM 125.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	with the Department of Environmental Quality, governing the use of the Fund shall				
2	provide for grants of up to \$500,000 for site remediation and include a requirement that				
3	sites with potential for redevelopment and economic benefits to the surrounding				
4	community be prioritized for consideration of such grants.				
5	I. Any requests for administrative or staff support for the Committee on Business				
6	Development and Marketing or the Committee on International Trade established to				
7	advise the Virginia Economic Development Partnership shall be directed to, and are				
8	subject to the approval of, the Chair or the Chief Executive Officer of the Virginia				
9	Economic Development Partnership.				
10	J.1. Out of the amounts in this Item, \$9,000,000 the first year and \$9,000,000 the second				
11	year from the general fund is provided to support the development of a workforce program				
12	to provide training and recruitment services to select companies locating or expanding in				
13	the Commonwealth.				
14	2. Out of this appropriation, \$560,000 the first year and <del>\$735,000 the second year</del> from the				
15	general fund is provided to effectuate the provisions of Chapters 731 and 746 of the 2022				
16	Acts of Assembly. This funding is supplemental to the funds provided in Paragraph J.1.				
17	and shall not be included in any base budget for the Virginia Talent Accelerator Program.				
18	K. Out of the amounts in this item, \$1,062,500 the first year and \$1,062,500 the second				
19	year from the general fund is provided for the Virginia Economic Development				
20	Partnership Authority to administer a comprehensive Virginia Business Ready Sites				
21	program. The funds in this paragraph may be used to administer the program established				
22	by Chapter 83 of the 2022 Acts of Assembly, Chapter 779 of the 2023 Acts of Assembly,				
23	and characterize, inventory, develop, market and deploy economic sites in the				
24	Commonwealth, which includes business investment activities.				
25	L.1. Out of the amounts in this Item, \$500,000 the first year and \$733,600 the second year				
26	from the general fund is provided to support the Office of Education and Labor Market				
27	Alignment in accordance with § <a href="#">2.2-2238</a> , Code of Virginia.				
28	2. Notwithstanding any provision of law, the Office of Labor Market Alignment (the				
29	Office) shall serve as a resource for education and workforce programs administered by				
30	state government to better inform programmatic decisions on workforce education and				
31	training. Additionally, the Office shall serve as a guide and resource for the Governor and				
32	the General Assembly in determining strategic education and workforce investments in				
33	current and future education and workforce training programs with a particular focus on				
34	those programs supported with state general fund dollars.				
35	3. The Office shall develop and report an annual research agenda to the Governor and				
36	General Assembly on or before June 30th of each year in collaboration with the				
37	Secretaries of Education, Labor, and Commerce and Trade, the State Council of Higher				
38	Education for Virginia, institutions of higher education, the Virginia Department of				
39	Education, the Virginia Employment Commission, the Virginia Initiative for Growth and				
40	Opportunity Board, and the Department of Workforce Development and Advancement,				
41	members of or staff to the House Committee on Education, Senate Committee on				
42	Education and Health, House Committee on Appropriations, and the Senate Committee on				
43	Finance and Appropriations.				
44	4. The Virginia Economic Development Partnership Authority shall include in its annual				
45	report, due on November 1st of each year, an update on the activities of the Office of				
46	Labor Market Alignment.				
47	M.1. Out of the amounts in this Item, \$4,600,000 the first year and \$4,600,000 the second				
48	year from the general fund is provided to fully implement Virginia's International Trade				
49	Plan. The authority shall include an update to the International Trade Plan in its annual				
50	operating plan due November 1, 2022, as required by § <a href="#">2.2-2237.1</a> , Code of Virginia.				
51	2. By January 31, 2023, the initiatives funded through the proposed increase for the				
52	authority's International Trade programs will support an additional 55 small to mid-size				
53	existing Virginia businesses. No later than January 31, 2023, the authority will report to				
54	the Chairs of the House Appropriations Committee and the Senate Finance and				

ITEM 125.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Appropriations Committee the number of additional small to mid-size existing Virginia				
2	businesses supported by VEDP's International Trade programs and services.				
3	N. Out of this appropriation, \$1,158,969 the first year and \$1,158,969 the second year from				
4	the general fund is provided to establish the Division of Incentives consistent with the				
5	provisions of § 2.2-2237.3, Code of Virginia.				
6	O. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the				
7	general fund is provided to establish an internal audit function for the authority, consistent				
8	with the provisions of § 2.2-2236.1, Code of Virginia.				
9	P. Out of this appropriation, \$200,000 the first year from the general fund is provided for the				
10	authority to complete an economic impact study of expanding a natural gas pipeline to				
11	Accomac in Accomack County, Virginia. This analysis shall include a return on investment				
12	analysis on the materials used to construct the pipeline (metal or plastic) and its capacity to				
13	support business development in terms of capital investment and job creation along the				
14	eastern shore. Any-investor owned public service company engaged in the business of				
15	furnishing natural gas shall provide information as needed to the authority, at their request, to				
16	aid in the completion of this study. The authority shall submit the results of this economic				
17	impact study to the Governor and General Assembly on or before December 1, 2022.				
18	Q. Out of the amounts in this item, \$200,000 the first year from the general fund is provided				
19	for an inland port feasibility assessment. The Virginia Economic Development Partnership				
20	Authority and the Virginia Port Authority, in consultation with the Virginia Tobacco Region				
21	Revitalization Commission, the Central Virginia Planning District Commission, and the				
22	Mount Rogers Planning District Commission, shall assess the feasibility of establishing an				
23	inland port in Region 2000, the Mount Rogers Planning District Commission, or the City of				
24	Bristol and submit its findings to the General Assembly no later than November 1, 2022. In				
25	conducting this assessment, the Secretary of Transportation, the Department of Rail and				
26	Public Transportation, and the Office of Intermodal Planning and Investment shall provide				
27	any technical assistance that may be required.				
28	R. Out of the amounts in this item, \$200,000 the first year from the general fund is provided				
29	for the authority to undertake a workforce study for the offshore wind and maritime				
30	industries. The authority shall evaluate strategies to attract skilled out-of-state talent to fill				
31	maritime jobs in Hampton Roads in support of the shipbuilding, ship repair, and offshore				
32	wind industries. In conducting the study, the authority shall assess talent attraction programs				
33	operated in other states and review their recruiting strategies, incentives offered for relocation,				
34	and the overall programmatic effectiveness. The report shall contain both legislative and				
35	funding recommendations with respect to implementation strategies focused on specifically				
36	targeted out-of-state populations, including transitioning military personnel, trade-school				
37	graduates, and other wind-industry related skillsets, specific incentives that would attract such				
38	talent, and potential costs to effectively administer such a program. The report shall be				
39	submitted to the General Assembly, Virginia Community College System, and the officials				
40	listed in Paragraph A. of Item 487.5 of this act no later than November 1, 2022.				
41	S. Out of the amounts in this item, \$2,500,000 the second year from the general fund is				
42	provided to create a supply chain for the offshore wind industry in Virginia through direct				
43	business investment in equipment. In developing this new investment program, the authority				
44	shall focus on smaller companies and how investment from the state for equipment can				
45	incentivize their participation in this new industry. Individual investments from this program				
46	may range from \$20,000 to \$250,000 per company. The authority in collaboration with the				
47	Office of Offshore Wind, and other relevant stakeholders shall develop criteria and guidelines				
48	for this offshore wind supply chain development program in Virginia on or before June 1,				
49	2023.				
50	T. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from				
51	the general fund is provided to support the administration of new and expanding programs.				
52	This funding shall remain unallotted until authorized for allotment by the Secretary of				
53	Finance.				
54	Total for Virginia Economic Development				
55	Partnership.....			\$48,504,192	\$50,812,792
56					\$50,077,792

ITEM 125.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
<b>1</b>		Fund Sources: General.....	\$48,504,192	\$50,812,792		
<b>2</b>				\$50,077,792		
<b>3</b>	126.	Not set out.				
<b>4</b>	127.	Not set out.				
<b>5</b>		TOTAL FOR OFFICE OF COMMERCE AND				
<b>6</b>		TRADE.....			\$834,564,885	\$1,066,127,752
<b>7</b>						\$1,065,639,895
<b>8</b>		General Fund Positions.....	321.68	327.68		
<b>9</b>		Nongeneral Fund Positions.....	231.32	232.32		
<b>10</b>		Position Level.....	553.00	560.00		
<b>11</b>		Fund Sources: General.....	\$571,822,827	\$803,385,694		
<b>12</b>				\$802,897,837		
<b>13</b>		Special.....	\$111,870,576	\$111,870,576		
<b>14</b>		Commonwealth Transportation.....	\$1,682,629	\$1,682,629		
<b>15</b>		Trust and Agency.....	\$775,000	\$775,000		
<b>16</b>		Dedicated Special Revenue.....	\$1,704,283	\$1,704,283		
<b>17</b>		Federal Trust.....	\$146,709,570	\$146,709,570		

ITEM 128.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	OFFICE OF EDUCATION					
2	128.	Not set out.				
3	§ 1-6. DEPARTMENT OF EDUCATION, CENTRAL OFFICE OPERATIONS (201)					
4	129.	Not set out.				
5	130.	Not set out.				
6	131.	Not set out.				
7	132.	Not set out.				
8	133.	Not set out.				
9	134.	Not set out.				
10	135.	Not set out.				
11	Direct Aid to Public Education (197)					
12	136.	Financial Assistance for Educational, Cultural,				
13		Community, and Artistic Affairs (14300).....			\$75,865,982	\$60,916,982
14						\$60,314,482
15		Financial Assistance for Supplemental Education				
16		(14304).....	\$75,865,982	\$60,916,982		
17				\$60,314,482		
18		Fund Sources: General.....	\$75,865,982	\$60,916,982		
19				\$60,314,482		
20	Authority: Discretionary Inclusion.					
21	It is intended that appropriations under this Item and under Item 138.10 for State Education					
22	Assistance shall support the following programs:					
23	Appropriation Detail of Educational, Cultural, Community, and Artistic Affairs (14300)					
24	Supplemental Education Assistance			FY 2023	FY 2024	
25	Programs (14304)					
26	Achievable Dream - Newport News			\$500,000	\$500,000	
27	Achievable Dream - Virginia Beach			\$500,000	\$500,000	
28	Active Learning Grants			\$250,000	\$250,000	
29	Advancing Computer Science Education			\$2,700,000	\$1,350,000	
30	American Civil War Museum			\$500,000	\$0	
31	Blue Ridge PBS			\$850,000	\$350,000	
32	Career and Technical Education Regional			\$660,000	\$660,000	
33	Centers					
34	Career and Technical Education Resource			\$298,021	\$298,021	
35	Center					
36	Career and Technical Education Student			\$718,957	\$718,957	
37	Organizations					
38	Career Council at Northern Neck Career			\$60,300	\$60,300	
39	& Technical Center					
40	Chesterfield Recovery High School			\$864,000	\$500,000	
41	Communities in Schools (CIS)			\$2,004,400	\$2,004,400	

ITEM 136.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Community Schools Fund	\$10,000,000			\$0
2	Computer Science Teacher Training	\$550,000			\$550,000
3	Denbigh Aviation Academy	\$275,000			\$0
4	Dolly Parton's Imagination Library For	\$481,180			\$1,157,065
5	Kids				
6	Early Childhood Educator Incentive	\$10,000,000			\$10,000,000
7	EduTutorVA	\$100,000			\$100,000
8	eMediaVA	\$1,500,000			\$1,000,000
9	Get Schooled - Center in the Square	\$150,000			\$0
10	Roanoke				
11	Great Aspirations Scholarship Program	\$500,000			\$500,000
12	(GRASP)				
13	Jobs for Virginia Graduates (JVG)	\$2,243,776			\$2,243,776
14	Literacy Lab - VPI Minority Educator	\$300,000			\$300,000
15	Fellowship				
16	Milk and Cookies (MAC) Children's	\$250,000			\$250,000
17	Program				
18	National Board Certification Program	<del>\$5,035,000</del>			<del>\$5,035,000</del>
19		<del>\$4,700,000</del>			<del>\$4,432,500</del>
20	PBS Appalachia	\$500,000			\$0
21	Petersburg Executive Leadership	\$350,000			\$350,000
22	Recruitment Incentives				
23	Positive Behavioral Interventions &	\$1,598,000			\$1,598,000
24	Support (PBIS)				
25	Power Scholars Academy- YMCA	\$1,000,000			<del>\$1,000,000</del>
26	BELL				<del>\$1,250,000</del>
27	Praxis and Virginia Communication and	\$50,000			\$50,000
28	Literacy Assessment Assistance for				
29	Provisionally Licensed Minority				
30	Teachers				
31	Project Discovery	\$987,500			\$987,500
32	RISE Foundation of Waynesboro	\$250,000			\$0
33	School Program Innovation	\$500,000			\$500,000
34	Small School Division Assistance	\$145,896			\$145,896
35	Southside Virginia Regional	\$108,905			\$108,905
36	Technology Consortium				
37	Southwest Virginia Public Education	\$124,011			\$124,011
38	Consortium				
39	STEM Program / Research Study (VA	\$1,181,975			\$1,181,975
40	Air & Space Center)				
41	STEM Competition Team Grants	\$200,000			\$200,000
42	Targeted Extended/Enriched School	\$7,763,312			\$7,763,312
43	Year and Year-round School Grants				
44	Teach for America	\$500,000			\$500,000
45	Teacher Recruitment & Retention Grant	\$2,181,000			\$2,181,000
46	Programs				
47	Teacher Residency Program	\$2,250,000			\$2,250,000
48	Teacher Workforce Initiatives	\$1,500,000			\$0
49	Van Gogh Outreach Program	\$71,849			\$71,849
50	Virginia Boys State	\$50,000			\$0
51	Virginia Early Childhood Foundation	\$8,221,900			\$10,986,015
52	(VECF)				
53	Virginia Girls State	\$50,000			\$0
54	Virginia Holocaust Museum	\$50,000			\$0

ITEM 136.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Virginia Museum of History and Culture	\$250,000			\$0
2	Virginia Reading Corps	\$600,000			\$600,000
3	Virginia Student Training and	\$300,000			\$300,000
4	Refurbishment (VA STAR) Program				
5	Vision Screening Grants	\$741,000			\$391,000
6	VPM Media Corporation	\$500,000			\$0
7	Western Virginia Public Education	\$50,000			\$0
8	Consortium				
9	Wolf Trap Model STEM Program	\$1,000,000			\$1,300,000
10	Youth Entrepreneurship Pilot Program-	\$1,500,000			\$0
11	Hampton Roads				
12	<i>School Security Equipment Grants</i>		\$0		\$12,000,000
13	<i>Chesapeake Regional Career and</i>		\$0		\$3,000,000
14	<i>Technical Education Center</i>				
15	<i>Oak Street Elementary Improvements</i>		\$0		\$3,000,000
16	<i>Critical Security Language Program</i>		\$0		\$150,000
17	<i>Grants</i>				
18	<b>Total</b>	<b>\$75,865,982</b>			<b>\$60,916,982</b>
19		<b>\$75,530,982</b>			<b>\$78,714,482</b>

A. Out of this appropriation, the Department of Education shall provide \$2,243,776 the first year and \$2,243,776 the second year from the general fund for the Jobs for Virginia Graduates initiative.

B. Out of this appropriation, the Department of Education shall provide \$124,011 the first year and \$124,011 the second year from the general fund for the Southwest Virginia Public Education Consortium at the University of Virginia's College at Wise. An additional \$71,849 the first year and \$71,849 the second year from the general fund is provided to the Consortium to continue the Van Gogh Outreach program with Lee and Wise County Public Schools and expand the program to the twelve school divisions in Southwest Virginia.

C. This appropriation includes \$108,905 the first year and \$108,905 the second year from the general fund for the Southside Virginia Regional Technology Consortium to expand the research and development phase of a technology linkage.

D. An additional state payment of \$145,896 the first year and \$145,896 the second year from the general fund is provided as a Small School Division Assistance grant for the City of Norton. To receive these funds, the local school board shall certify to the Superintendent of Public Instruction that its division has entered into one or more educational, administrative or support service cost-sharing arrangements with another local school division.

E. Out of this appropriation, \$298,021 the first year and \$298,021 the second year from the general fund shall be allocated for the Career and Technical Education Resource Center to provide vocational curriculum and resource instructional materials free of charge to all school divisions.

F. It is the intent of the General Assembly that the Department of Education provide bonuses from state funds to classroom teachers in Virginia's public schools who hold certification from the National Board of Professional Teaching Standards. Such bonuses shall be \$5,000 the first year of the certificate and \$2,500 annually thereafter for the life of the certificate. This appropriation includes an amount estimated at ~~\$5,035,000~~ \$4,700,000 the first year and ~~\$5,035,000~~ \$4,432,500 the second year from the general fund for the purpose of paying these bonuses. By October 15 of each year, school divisions shall notify the Department of Education of the number of classroom teachers under contract for that school year that hold such certification.

G. This appropriation includes \$2,181,000 the first year and \$2,181,000 the second year from the general fund for grants, scholarships, and incentive payments to attract, recruit, and retain high-quality teachers and fill critical teacher shortage disciplines in Virginia's public schools.

1. Out of this appropriation, \$708,000 the first year and \$708,000 the second year from the



ITEM 136.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	general fund is provided for teaching scholarship loans. These scholarships shall be for				
2	undergraduate students in college with a cumulative grade point average of at least 2.7 on				
3	a 4.0 scale or its equivalent, who are nominated by their Virginia regionally accredited				
4	college or university, and who meet the criteria and qualifications, pursuant to § 22.1-				
5	290.01, Code of Virginia, except as provided herein. Awards shall be made to students				
6	who are enrolled full-time or part-time in approved undergraduate or graduate teacher				
7	education programs for the top ten critical teacher shortage disciplines, however minority				
8	students may be enrolled in any content area for teacher preparation. Upon program				
9	completion, scholarship recipients may fulfill the scholarship loan obligation by teaching				
10	in the public schools of the Commonwealth in the first full academic year after becoming				
11	eligible for a renewable teaching license in the appropriate endorsement area and teaching				
12	for at least two years in a school division (i) in one of the critical teacher shortage				
13	disciplines as established by the Board of Education; or (ii) in a Virginia public school or				
14	program with 50 percent or more of the students eligible for free or reduced price lunch;				
15	or (iii) in a school division designated critical shortage subject area, as defined in the				
16	Board of Education's Regulations Governing the Determination of Critical Teacher				
17	Shortage Areas. Scholarship recipients who only complete one year of the teaching				
18	obligation shall be forgiven for one-half of the scholarship loan amount. Scholarship				
19	amounts are based on up to \$10,000 per year for full-time students, and shall be prorated				
20	for part-time students based on the number of credit hours. The Department of Education				
21	shall report annually on the critical shortage teaching areas in Virginia.				
22	a. The Department of Education shall make payments on behalf of the scholarship				
23	recipients directly to the Virginia institution of higher education where the scholarship				
24	recipient is enrolled full-time or part-time in an approved undergraduate or graduate				
25	teacher education program.				
26	b. The Department of Education is authorized to recover total funds awarded as				
27	scholarships, or the appropriate portion thereof, in the event that scholarship recipients fail				
28	to honor the stipulated teaching obligation.				
29	c. Within the fiscal year, any funds not awarded from this program may be applied toward				
30	the other teacher preparation, recruitment, and retention programs under paragraph G.				
31	2. Out of this appropriation, \$808,000 the first year and \$808,000 the second year from the				
32	general fund is provided to attract, recruit, and retain high-quality diverse individuals to				
33	teach science, technology, engineering, or mathematics (STEM) subjects in Virginia's				
34	middle and high schools experiencing difficulty in recruiting qualified teachers. Eligible				
35	teachers must (i) be employed full-time in a Virginia school division or school with more				
36	than 40 percent of the students eligible for free or reduced price lunch; (ii) be entering				
37	their first, second, or third year of teaching experience; and (iii) hold a five- or ten-year				
38	valid Virginia teaching license with an endorsement in Middle Education 6-8:				
39	Mathematics, Mathematics-Algebra-I, Mathematics, Middle Education 6-8: Science,				
40	Biology, Chemistry, Earth and Space Science, Physics, Engineering, or Technology				
41	Education and be assigned to a teaching position in a corresponding STEM subject area.				
42	Selected eligible teachers will receive a \$5,000 incentive award after the completion of				
43	each year of full-time teaching experience, up to three consecutive years under the grant,				
44	in an eligible school division or school with a satisfactory performance evaluation and a				
45	written commitment to return in the same school division for the following school year.				
46	The maximum incentive award for each eligible teacher is \$15,000. Eligibility for these				
47	incentives shall be determined through an application process whereby school divisions				
48	shall apply to the Department of Education. Priority for distribution of these incentives				
49	shall be to school divisions experiencing the most acute difficulties in recruiting qualified				
50	teachers, as determined using Department of Education criteria. For individuals who				
51	received funds under this program prior to July 1, 2020, the criteria provided in Chapter				
52	854, 2019 Acts of Assembly, shall continue to apply. Within the fiscal year, any funds not				
53	awarded from this program may be applied toward the other teacher preparation,				
54	recruitment, and retention programs under paragraph G.				
55	3. Out of this appropriation, \$415,000 the first year and \$415,000 the second year from the				
56	general fund is provided to help school divisions recruit and retain qualified middle-school				
57	mathematics teachers. Within the fiscal year, any funds not awarded from this program				
58	may be applied toward the other teacher preparation, recruitment, and retention programs				

ITEM 136.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	under paragraph G.				
2	4. Out of this appropriation, \$250,000 the first year and \$250,000 the second year from the				
3	general fund is provided for tuition scholarships to be specifically allocated solely for licensed				
4	public high school teachers pursuing additional credentialing requirements necessary to be				
5	considered faculty who are qualified to teach dual enrollment courses in high schools in their				
6	local school division. The Department of Education shall make payments on behalf of the				
7	scholarship recipients directly to the regionally accredited Virginia institution of higher				
8	education where the scholarship recipient is enrolled in courses for credit applicable to dual				
9	enrollment course curriculum available for public high school students. The lifetime				
10	maximum dual enrollment tuition scholarship award for each approved eligible teacher is				
11	\$7,500. Eligibility for access to these dual enrollment tuition scholarship awards shall be				
12	determined through an application process whereby school divisions shall apply to the				
13	Department of Education. In the application process, the applying school division shall				
14	include: i) an explanation of why such dual enrollment tuition scholarship is warranted, ii) the				
15	dual enrollment course or courses that shall be offered by the scholarship recipient's high				
16	school and taught by the recipient upon the recipient's successful completion of required				
17	coursework for appropriate credentialing to teach such dual enrollment courses, and iii) the				
18	projected student enrollment in the recipient taught public high school dual enrollment				
19	courses. The Department of Education shall compile and report the application information				
20	for each applying school division, and shall also report the number of recipients and amount				
21	of tuition awarded to each school division, the institution of higher education receiving				
22	tuition, the credentialing area pursued by recipients, and dual enrollment courses offered after				
23	the recipient's successful completion of the pursued credentialing. The Department shall				
24	submit the report by June 30 annually to the House Committees on Education and				
25	Appropriations and the Senate Committees on Finance and Appropriations and Education and				
26	Health.				
27	H. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
28	general fund shall be distributed to the Great Aspirations Scholarship Program (GRASP) to				
29	provide students and families in need access to financial aid, scholarships, and counseling to				
30	maximize educational opportunities for students.				
31	I. Out of this appropriation, the Department of Education shall provide \$2,004,400 the first				
32	year and \$2,004,400 the second year from the general fund to Communities in Schools. These				
33	funds shall be used to strengthen and sustain existing programming in Hampton Roads,				
34	Northern Virginia, Petersburg, Richmond City, and Southwest Virginia and to expand				
35	programming to new schools. Further, Communities in Schools is directed to assist the				
36	Community School organization with developing opportunities to establish a Community				
37	School program in interested school divisions.				
38	J. 1. Out of this appropriation, the Department of Education shall provide \$987,500 the first				
39	year and \$987,500 the second year from the general fund for Project Discovery. These funds				
40	are towards the cost of the program in Abingdon, Accomack/Norhampton, Alexandria,				
41	Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, Cumberland,				
42	Danville/Pittsylvania, Fairfax, Franklin/Patrick, Fredericksburg/Spotsylvania,				
43	Goochland/Powhatan, Lynchburg, Newport News, Norfolk, Richmond City, Roanoke City,				
44	Smyth, Surry/Sussex, Tazewell, Williamsburg/James City, Wythe, and Madison/Orange and				
45	the salary of a fiscal officer for Project Discovery. The Department of Education shall				
46	administer the Project Discovery funding distributions to each community action agency.				
47	Distributions to each community action agency shall be based on performance measures				
48	established by the Board of Directors of Project Discovery. The contract with Project				
49	Discovery should specify the allocations to each local program and require the submission of				
50	a financial and budget report and program evaluation performance measures.				
51	2. Each participating community action agency shall submit annual performance metrics for				
52	services provided through the Project Discovery program that provide measurable evaluations				
53	and outcomes of participating students. Such performance metrics shall include evidenced-				
54	based data that effectively measure academic improvement outcomes. In addition, the				
55	performance metrics shall also include evidenced-based data to evaluate the specific				
56	effectiveness of the program for participating students on a longitudinal basis. Further, the				
57	performance metrics shall include the coordination and collaboration efforts the program staff				
58	regularly have with the school-based personnel, such as teachers and guidance counselors,				

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1	that support and maximize opportunities of participating students to successfully graduate				
2	from high school and then to enroll and graduate from an institution of higher learning.				
3	Project Discovery shall submit a comprehensive and cumulative program performance				
4	metrics evaluation to the Department of Education no later than October 1 each year.				
5	K. Out of this appropriation, the Department of Education shall provide \$300,000 the first				
6	year and \$300,000 the second year from the general fund for the Virginia Student Training				
7	and Refurbishment Program.				
8	L. Out of this appropriation, \$1,598,000 the first year and \$1,598,000 the second year				
9	from the general fund is provided to expand the number of schools implementing a system				
10	of positive behavioral interventions and supports with the goal of improving school				
11	climate and reducing disruptive behavior in the classroom. Such a system may be				
12	implemented as part of a tiered system of supports that utilizes evidence-based, system-				
13	wide practices to provide a response to academic and behavioral needs. Any school				
14	division which desires to apply for this competitive grant must submit a proposal to the				
15	Department of Education by June 1 preceding the school-year in which the program is to				
16	be implemented. The proposal must define student outcome objectives including, but not				
17	limited to, reductions in disciplinary referrals and out-of-school suspension rates. In				
18	making the competitive grant awards, the Department of Education shall give priority to				
19	school divisions proposing to serve schools identified by the Department as having high				
20	suspension rates. No funds awarded to a school division under this grant may be used to				
21	supplant funding for schools already implementing the program.				
22	M. Targeted Extended/Enriched School Year and Year-round School Grants Payments				
23	1. Out of this appropriation, \$7,150,000 the first year and \$7,150,000 the second year from				
24	the general fund is provided for a targeted extended/enriched school year or year-round				
25	school incentive in order to improve student achievement. Annual start-up grants of up to				
26	\$300,000 per school may be awarded for a period of up to two years after the initial				
27	implementation year. The per school amount may be up to \$400,000 in the case of schools				
28	that have an Accredited with Conditions status and are rated at Level Three in two or more				
29	Academic Achievement for All Students school quality indicators, or schools that had an				
30	Accredited with Conditions status and were rated at Level Three in two or more Academic				
31	Achievement for All Students school quality indicators when the initial application was				
32	made. Schools that qualified for the per school grant up to \$400,000 under the previous				
33	Standards of Accreditation Denied Accreditation status remain eligible for funding for the				
34	initial three year period; after that period, such schools are subject to eligibility under the				
35	current Standards of Accreditation. After the third consecutive year of successful				
36	participation, an eligible school's grant amount shall be based on a shared split of the grant				
37	between the state and participating school division's local composite index. Such				
38	continuing schools shall remain eligible to receive a grant based on the 2012 JLARC				
39	Review of Year Round Schools' researched base findings.				
40	2. Except for school divisions with schools that are in an Accredited with Conditions				
41	status and are rated at Level Three in two or more Academic Achievement for All				
42	Students school quality indicators or in a Denied Accreditation status, any other school				
43	division applying for such a grant shall be required to provide a twenty percent local				
44	match to the grant amount received from either an extended/enriched school year or year-				
45	round school start-up or planning grant.				
46	3. In the case of any school division with schools that are in an Accredited with				
47	Conditions status and are rated at Level Three in two or more Academic Achievement for				
48	All Students school quality indicators or in a Denied Accreditation status that apply for				
49	funds, the school division shall also consult with the Superintendent of Public Instruction				
50	or designee on all recommendations regarding instructional programs or instructional				
51	personnel prior to submission to the local board for approval.				
52	4. Out of this appropriation, \$613,312 the first year and \$613,312 the second year from the				
53	general fund is provided for planning grants of no more than \$50,000 each for local school				
54	divisions pursuing the creation of new extended/enriched school year or year-round school				
55	programs for divisions or individual schools in support of the findings from the 2012				
56	JLARC Review of Year Round Schools. School divisions must submit applications to the				
57	Department of Education by August 1 of each year. Priority shall be given to schools				

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1	based on need, relative to the state accreditation ratings or similar federal designations.				
2	Applications shall include evidence of commitment to pursue implementation in the				
3	upcoming school year. If balances exist, existing extended school year programs may be				
4	eligible to apply for remaining funds.				
5	5. A school division that has been awarded an extended/enriched school year or year-round				
6	school start-up grant or planning grant for the development of an extended/enriched school				
7	year or year-round school program may spend the awarded grant over two consecutive fiscal				
8	years.				
9	6. a) Any such school division receiving funding from a Targeted Extended/Enriched School				
10	Year and Year-round School grant shall provide an annual progress report to the Department				
11	of Education that evaluates end of year success of the extended/enriched school year or year-				
12	round school model implemented as compared to the prior school year performance as				
13	measured by an appropriate evaluation matrix no later than September 1 each year.				
14	b) The Department of Education shall develop such evaluation matrix that would be				
15	appropriate for a comprehensive evaluation for such models implemented. Further, the				
16	Department of Education is directed to submit the annual progress reports from the				
17	participating school divisions and an executive summary of the program's overall status and				
18	levels of measured success to the Chairs of House Appropriations and Senate Finance and				
19	Appropriations Committees no later than November 1 each year.				
20	7. Any funds remaining in this paragraph following grant awards may be disbursed by the				
21	Department of Education as grants to school divisions to support innovative approaches to				
22	instructional delivery or school governance models.				
23	N. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
24	general fund is provided through grants or contracts for the cost of fees and financial				
25	incentives associated with hiring teachers in challenged schools. These funds may be used for				
26	grants or contracts awarded and expenses associated with supporting the Teach for America				
27	program. School divisions or their partners may apply for those funds through applications				
28	submitted to the Department of Education. Applications must be submitted to the Department				
29	of Education by September 1 each year. Within the fiscal year, any unobligated balance may				
30	be used for the Teacher Residency program.				
31	O. Out of this appropriation, \$1,000,000 the first year and \$1,300,000 the second year from				
32	the general fund is provided to the Wolf Trap Foundation for the Performing Arts to				
33	administer STEM Arts and early literacy programs for preschool, kindergarten, and first grade				
34	students in Accomack, Albemarle, Arlington, Chesterfield, Fairfax, Henrico, Loudoun,				
35	Norfolk, Petersburg, Richmond, Suffolk, and Wythe Public Schools. The model will also				
36	support growth in the 5C skills identified in the Profile of a Virginia Graduate. Within this				
37	appropriation, funds may support the phase in of services into currently unserved divisions in				
38	an equitable manner, with a special focus on capacity building and establishing new services				
39	in Regions 3, 6, or 8. The Wolf Trap Foundation shall work with the Department of Education				
40	and currently served divisions to determine need and phase programs into unserved divisions.				
41	The Wolf Trap Foundation shall report annually to the Chairs of the House Committee on				
42	Education and the Senate Committee on Education and Health and the Superintendent of				
43	Public Instruction on its activities, including number of divisions served, number of students				
44	served, number of educators, and number of families impacted.				
45	P. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
46	general fund is provided for the Achievable Dream partnership with Newport News School				
47	Division.				
48	Q. Out of this appropriation, \$2,250,000 the first year and \$2,250,000 the second year from				
49	the general fund is provided for grants for teacher residency partnerships between university				
50	teacher preparation programs and the Petersburg, Norfolk, and Richmond City school				
51	divisions and any other university teacher preparation programs and hard-to-staff school				
52	divisions to help improve new teacher training and retention for hard-to-staff schools. The				
53	grants will support a site-specific residency model program for preparation, planning,				
54	development and implementation, including possible stipends in the program to attract				
55	qualified candidates and mentors. Applications must be submitted to the Department of				
56	Education by August 1 each year.				

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1	1. Of this amount, \$500,000 the first year and \$500,000 the second year is provided for				
2	Virginia Commonwealth University to establish a pilot program to support 20 special				
3	education residents and 20 elementary school residents in partnership with the Richmond				
4	Teacher Residency program. Virginia Commonwealth University shall include this pilot				
5	program in its annual report to the Department of Education, pursuant to paragraph Q.2. of				
6	this Item.				
7	2. Partner school divisions shall provide at least one-third of the cost of each program and				
8	shall provide data requested by the university partner in order to evaluate program				
9	effectiveness by the mutually agreed upon timelines. Each university partner shall report				
10	annually, no later than June 30, to the Department of Education on available outcome				
11	measures, including student performance indicators, as well as additional data needs				
12	requested by the Department of Education. The Department of Education shall provide,				
13	directly to the university partners, relevant longitudinal data that may be shared. The				
14	Department of Education shall consolidate all submissions from the participating				
15	university partners and school divisions and submit such consolidated annual report to the				
16	Chairs of the House Appropriations and Senate Finance and Appropriations Committees				
17	no later than November 1 each year.				
18	R. Out of this appropriation, \$60,300 the first year and \$60,300 the second year from the				
19	general fund is provided to the Northern Neck Regional Technical Center to expand the				
20	workforce readiness education and industry based skills and certification development				
21	efforts supporting that region in the state. These funds support the Center's programs that				
22	serve high school students from the surrounding counties of Essex, Lancaster,				
23	Northumberland, Rappahannock, Westmoreland and Colonial Beach.				
24	S. Out of this appropriation, \$8,221,900 the first year and \$10,986,015 the second year				
25	from the general fund is provided to the Virginia Early Childhood Foundation.				
26	1. Of this amount, \$250,000 the first year and \$250,000 the second year is provided for				
27	general operations of the Foundation's grant program to strengthen the capacity of local				
28	communities to promote school readiness for young children through innovative regional				
29	partnerships.				
30	2. Of this amount, \$1,000,000 the first year and \$1,000,000 the second year is provided to				
31	operate a scholarship program to increase the skills of Virginia's early education				
32	workforce.				
33	3. Of this amount, \$6,971,900 the first year and \$9,736,015 the second year from the				
34	general fund is provided for an initiative to support public-private delivery of pre-				
35	kindergarten services for at-risk three- and four-year-old children each year and to support				
36	a pilot of 200 infant and toddler slots each year. Programs must provide full-day or half-				
37	day and, at least, school-year services. The Department of Education is authorized to				
38	prorate payment for this program so as not to exceed available appropriation.				
39	a) The Department of Education shall establish academic standards that are in accordance				
40	with appropriate preparation for students to be ready to successfully enter kindergarten.				
41	These standards shall be established in such a manner as to be measurable for student				
42	achievement and success. Students shall be required to be evaluated in the fall and in the				
43	spring by each participating provider and grantees must certify that the Virginia Preschool				
44	Initiative standards are followed in order to receive the funding for quality preschool				
45	education and criteria for the service components. Such standards shall align with the				
46	Virginia Standards of Learning for Kindergarten.				
47	b) The Department of Education shall require and ensure that all participating classrooms				
48	have the quality of their teacher-child interactions assessed through a rigorous and				
49	research-based observation instrument at least once every two years.				
50	c) Any locality that desires to participate in this grant program must submit a proposal				
51	each year to the Virginia Early Childhood Foundation. For the first year, the application				
52	must be submitted by August 15. For subsequent years, the application must be submitted				
53	by May 15 to align with the Virginia Preschool Initiative timeline. Each application shall				
54	identify a lead agency for this program within the locality. The lead agency shall be				
55	responsible for developing a local plan for the delivery of quality preschool services to at-				

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1	risk three- and four-year-old children in private settings that demonstrates the coordination of				
2	resources and the combination of funding streams in an effort to serve the greatest number of				
3	at-risk children.				
4	d) The proposal must demonstrate: (i) coordination with all parties necessary for the				
5	successful delivery of comprehensive services, including schools, child care providers, local				
6	social services agencies, Head Start, local health departments, and other groups identified by				
7	the lead agency, (ii) a plan for supporting inclusive practices for children with identified				
8	special needs, and (iii) a plan to transition the pilot into a sustainable program that is				
9	supported with a similar level of state support as Virginia Preschool Initiative slots.				
10	e) Local plans must indicate the number of at-risk children to be served, and the eligibility				
11	criteria for participation in this program shall be consistent with the economic and educational				
12	risk factors stated in the current program guidelines that are specific to: (i) family income at				
13	or below 200 percent of federal poverty guidelines, (ii) homelessness, (iii) student's parents or				
14	guardians are school dropouts, or (iv) children with disabilities or delays who are eligible for				
15	special education services under the Individuals with Disabilities Education Act, regardless of				
16	household income. Up to 15 percent of slots may be filled based on locally established				
17	eligibility criteria so as to meet the unique needs of at-risk children in the community.				
18	Localities that can demonstrate that more than 15 percent of slots are needed to meet the				
19	needs of at-risk children in their community may apply for a waiver from the Superintendent				
20	of Public Instruction to use a larger percentage of their slots. Localities must demonstrate that				
21	increasing eligibility will enable the maximization of federal funds and will not have a				
22	negative impact on access for other individuals currently being served.				
23	f) Notwithstanding any provisions of § 22.1-299, Code of Virginia, and in order to achieve the				
24	priorities of the Joint Subcommittee on Early Childhood Care and Education for exploring the				
25	feasibility of and barriers to mixed delivery preschool systems in Virginia, recipients of a				
26	Mixed-Delivery Preschool grant shall be provided maximum flexibility within their respective				
27	pilot initiative in order to fully implement the associated goals and objectives of the pilot.				
28	Recipients of a Mixed-Delivery Preschool grant and divisions participating in such grant pilot				
29	activities shall be exempted from all regulatory and statutory provisions related to teacher				
30	licensure requirements and qualifications when paid by public funds within the confines of the				
31	Mixed-Delivery Preschool pilot initiative.				
32	g) Children served by the pilots shall be assigned student identification numbers as provided				
33	in § 22.1-287.03 B of the Code of Virginia to evaluate pilot program outcomes and to permit				
34	comparison with Virginia Preschool Initiative outcomes.				
35	h) Pilot providers shall provide information to the Department of Education as necessary to				
36	fulfill the reporting requirement established.				
37	T. This appropriation includes \$500,000 the first year and \$500,000 the second year from the				
38	general fund to support ten competitive grants, not to exceed \$50,000 each, for planning the				
39	implementation of systemic Elementary, Middle, and/or High School Program Innovation by				
40	either individual school divisions or consortia of school divisions or implementing a plan for				
41	public pre-kindergarten through Grade 12 School Program Innovation previously approved by				
42	the Department of Education. The local applicant(s) selected to conduct this systemic				
43	approach to school reform, in consultation with the Department of Education, will develop				
44	and plan or implement innovative approaches to engage and to motivate students through				
45	personalized learning and instruction leading to demonstrated mastery of content, as well as				
46	skills development of career readiness. Essential elements of school innovation include: (1)				
47	student centered learning, with progress based on student demonstrated proficiency; (2) 'real-				
48	world' connections that promote alignment with community work-force needs and emphasize				
49	transition to college and/or career; and (3) varying models for educator supports and staffing.				
50	Individual school divisions or consortia will be invited to apply on a competitive basis by				
51	submitting a grant application that includes descriptions of key elements of innovations, a				
52	detailed budget, expectations for outcomes and student achievement benefits, evaluation				
53	methods, and plans for sustainability. The Department of Education will make the final				
54	determination of which individual school divisions or consortia of divisions will receive the				
55	year-long planning grant for public pre-kindergarten through Grade 12 School Innovation or a				
56	grant to implement an Elementary, Middle, and/or High School Program Innovation plan				
57	previously approved by the Department of Education. Any school division or consortium of				

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1	divisions which desires to apply for this competitive grant must submit a proposal to the				
2	Department of Education by June 1 preceding the school year in which the planning or				
3	implementation for systemic school innovation is to take place.				
4	U. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from				
5	the general fund is provided for STEM Competition Team Grants. Grants may not exceed				
6	\$5,000 each.				
7	V. Out of this appropriation, \$1,181,975 the first year and \$1,181,975 the second year				
8	from the general fund is provided to support a multi-platform STEM education				
9	engagement program and research study and other educational programs at the Virginia				
10	Air & Space Center.				
11	W. Out of this appropriation, \$350,000 the first year and \$350,000 the second year from				
12	the general fund is provided for executive leadership incentives in the Petersburg City				
13	Public Schools to strengthen the impact of division and school level executive leadership				
14	on student achievement in the school division. Such incentives may include, but not be				
15	limited to, supplements to locally funded salaries, deferred salary compensation, bonuses,				
16	housing and commuting supplements, and professional development supplements. The				
17	Department of Education shall provide such executive management incentive payments				
18	directly to the Petersburg City Public Schools accounts pursuant to a Memorandum of				
19	Understanding entered into between the Board of Education and the Petersburg City				
20	School Board, which shall cover no less than both years of the biennium and may be				
21	amended with the consent of both parties. Such Agreement shall include operational and				
22	student achievement metrics and include provisions for the achievement of such metrics as				
23	a condition of payment of the incentive funds by the Department of Education. The				
24	Department of Education shall provide updates on the Agreement to the Chairs of the				
25	Senate Finance and Appropriations and House Appropriations Committees.				
26	X. Out of this amount, \$600,000 the first year and \$600,000 the second year from the				
27	general fund shall be reserved for school divisions to partner with the Virginia Reading				
28	Corps program. The implementation partner shall determine and select partner school				
29	divisions. The Virginia Reading Corps shall report annually to the school divisions and				
30	Department of Education on the outcomes of this program.				
31	Y. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the				
32	general fund is provided for praxis assistance and Virginia Communication and Literacy				
33	Assessment assistance for provisionally licensed minority teachers seeking full licensure				
34	in Virginia. Grants of up to \$10,000 shall be awarded to school divisions, teacher				
35	preparation programs, or nonprofit organizations in all regions of the state to subsidize test				
36	fees and the cost of tutoring for provisionally licensed minority teachers seeking full				
37	licensure in Virginia.				
38	Z. Out of this appropriation, \$741,000 the first year and \$391,000 the second year from				
39	the general fund is provided to school divisions to pay for a portion of the vision screening				
40	of students in kindergarten, grade two or three and grades seven and ten, pursuant to				
41	Chapter 312, 2017 Session Acts of Assembly. Eligible school divisions may receive the				
42	state's share of \$7.00 for each student reported in average daily membership and enrolled				
43	in kindergarten, grades three, seven and ten and who has received such vision screening				
44	test. The Department of Education shall administrator and distribute reimbursements to				
45	school divisions and the funding shall be prorated if needed, such that the appropriation is				
46	not exceeded. Prioritization shall be given the schools that would most benefit from state				
47	assistance in order to provide such vision screening service to students that are eligible for				
48	free lunch.				
49	AA. Out of this appropriation, \$660,000 the first year and \$660,000 the second year from				
50	the general fund is provided for annual grants of \$60,000 to each of the nine regional				
51	career and technical centers, Winchester Public Schools' Innovation Center and Norfolk				
52	Public Schools' Norfolk Technical Center, to expand workforce readiness education and				
53	industry based skills.				
54	BB. 1. Out of this appropriation, \$550,000 the first year and \$550,000 the second year				
55	from the general fund is provided to CodeVA for the development, marketing, and				
56	implementation of high-quality and effective computer science training and professional				

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1	development activities for public school teachers throughout the Commonwealth for the				
2	purpose of improving the computer science literacy of all public school students in the				
3	Commonwealth using the Computer Science Standards of Learning For Virginia Public				
4	Schools, which were reviewed and endorsed by the Virginia Board of Education in November				
5	2017. The provided funds may be utilized for planning, preparing and materials needed for				
6	teacher training sessions provided during the biennium.				
7	2. CodeVA shall report, no later than October 1, each year to the Chairmen of the House				
8	Education and Senate Education & Health Committees, Secretary of Education and the				
9	Superintendent of Public Instruction on its activities in the previous year to support computer				
10	science teacher training and curriculum development, including on collaboration with other				
11	stakeholders to avoid duplication of efforts.				
12	CC. To strengthen quality, attract new educators, and reduce turnover in hard-to-serve				
13	preschool classrooms, \$10,000,000 the first year and \$10,000,000 the second year from the				
14	general fund shall be used to supplement the Early Childhood Educator Incentive created				
15	through the Preschool Development Grant Birth to Five and in support of the implementation				
16	of the Unified Measurement and Improvement System, known as VQB5, established pursuant				
17	to § <a href="#">22.1-289.05</a> , Code of Virginia. The Virginia Department of Education shall set the				
18	specific guidelines for the program and funds.				
19	DD. Out of this appropriation, \$250,000 the first year and \$250,000 the second year from the				
20	general fund shall be provided for grants to school divisions for encouraging active-in class,				
21	remote and hybrid learning for students in pre-kindergarten through the second grade. School				
22	divisions seeking to apply for this grant shall submit a proposal to the Department of				
23	Education outlining the intended use of funds and a projected number of students to be				
24	served. The Department shall establish criteria for awarding these funds. The funds may be				
25	used to purchase a platform featuring on-demand activities that integrate math and English				
26	Standards of Learning content into movement-rich activities that can be used at school, home				
27	and on all devices (i.e. computers, tablets, and phones).				
28	EE. Out of this appropriation, \$850,000 the first year and \$350,000 the second year from the				
29	general fund is provided to Blue Ridge PBS for educational outreach programming.				
30	FF. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from the				
31	general fund is provided for a fellowship program administered by the Literacy Lab to place				
32	recent high-school graduates of a minority background new to the field of education in VPI or				
33	Head Start classrooms of participating local school divisions or community-based early				
34	childhood centers to provide evidence based literacy support to at-risk pre-kindergarten				
35	students. Such a program must provide training, coaching, and professional development to				
36	the fellowship participants, place fellowship participants for at least 800 paid hours within a				
37	pre-kindergarten classroom during a school year, work to diversify the educator pipeline, and				
38	assist fellowship participants in understanding the teacher education and licensure process in				
39	Virginia. Literacy Lab shall partner with school divisions or community-based early				
40	childhood centers in Richmond and Portsmouth. Literacy Lab shall report by August 1, 2022				
41	to the Chairs of the House Education and Senate Education and Health Committees, Secretary				
42	of Education, and the Superintendent of Public Instruction on its activities to provide training,				
43	coaching, and professional development to the fellowship participants, including collaboration				
44	with school division partners and community-based early childhood centers, and provide				
45	metrics on the success of participants entering the educator pipeline either through				
46	employment or a teacher preparation program.				
47	GG. Out of this appropriation, \$1,000,000 the first year and <del>\$1,000,000</del> \$1,250,000 the second				
48	year from the general fund is provided to support pilot public-private partnerships between				
49	local school divisions and the Virginia Alliance of YMCAs to expand student participation				
50	opportunities in existing summer Power Scholars Academies in such partnered school				
51	divisions.				
52	HH. Out of this appropriation, \$718,957 the first year and \$718,957 the second year from the				
53	general fund is provided to support Career and Technical Education Student Organizations.				
54	These Student Organizations extend Career and Technical Education in Virginia through				
55	networks of programs, business and community partnerships, and leadership experiences at				
56	the school, state, and national levels and provide Virginia students with opportunities to apply				
57	academic, technical, and employability knowledge and skills necessary in today's workforce.				



ITEM 136.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	II. Out of this appropriation, \$1,500,000 the first year and \$1,000,000 the second year				
2	from the general fund is provided for the Hampton Roads Education Telecommunications				
3	Association's eMediaVA program for statewide digital content development, online				
4	learning, and related support services. All digital content produced and delivery of online				
5	learning shall meet criteria established by the Department of Education, meet or exceed				
6	applicable Standards of Learning, and be correlated to such state standards. The eMedia				
7	VA program shall incorporate consultation with division superintendents or their				
8	designated representatives to assess school divisions' needs for digital content, online				
9	learning, teacher training, and support services that advance technology integration into				
10	the K-12 classroom, as well as for additional educational resources that may be made				
11	available to school divisions throughout the Commonwealth. The Hampton Roads				
12	Educational Telecommunications Association, in partnership with Blue Ridge PBS, VPM				
13	Media Corporation, and PBS Appalachia, shall report by June 30, 2023 to the Secretary of				
14	Education, the Department of Education, and the General Assembly on a plan to share				
15	educational resources and content among these organizations in an effort to reduce				
16	duplication of efforts in content and curriculum development.				
17	JJ. Out of this appropriation, \$2,700,000 the first year and \$1,350,000 the second year				
18	from the general fund is provided to support the advancement of computer science				
19	education and implementation of the Commonwealth's computer science standards across				
20	the public education continuum. These funds are intended to provide high quality				
21	professional development to current and future teachers; create, curate, and disseminate				
22	high quality computer science curriculum, instructional resources, and assessments;				
23	support summer and after-school computer science related programming for students; and				
24	facilitate meaningful career exposure and work-based learning opportunities in computer				
25	science fields for high school students. Funds shall be disbursed through a competitive				
26	grant process and shall prioritize at-risk students and schools. The Department of				
27	Education shall develop a process to award these funds in accordance with the provisions				
28	of this language.				
29	KK. Out of this appropriation, \$1,500,000 the first year from the general fund is provided				
30	to increase educator recruitment and retention and the supply of qualified educators and				
31	support positions. These funds shall be used to support: (i) provisionally-licensed				
32	educators and other school staff to earn or renew full state teaching licensure; (ii) teacher				
33	mentoring for early career teachers; (iii) recruitment and retention efforts for critical				
34	vacancies and shortages; and (iv) professional development opportunities to educators.				
35	The Department of Education shall develop a process to award these funds to divisions				
36	and shall focus efforts on divisions with high vacancies and critical shortages. The				
37	Department may also use these funds to supplement any program in this item related to				
38	educator preparation, retention, or recruitment; however, funds shall not be committed to				
39	any program with a multi-year commitment. Any balances remaining shall not revert to				
40	the general fund at the end of the fiscal year, but shall be brought forward and made				
41	available to support these efforts in the second year.				
42	LL. Out of this appropriation, \$500,000 the first year from the general fund is provided to				
43	VPM Media Corporation to support curriculum development and the development of				
44	learning assets.				
45	MM. Out of this appropriation, \$10,000,000 the first year from the general fund is				
46	provided for grants to school divisions and Communities in Schools and its affiliates to				
47	support the development and implementation of community schools initiatives that				
48	provide a framework for integrated student supports, expanded and enriched learning time				
49	and opportunities, active family and community engagement, and collaborative leadership				
50	and practices. The Department of Education shall award these grants in consultation with				
51	a stakeholder workgroup convened to focus on community schools. The workgroup shall				
52	include representatives from local school divisions, existing Virginia providers of				
53	community schools models, and other relevant stakeholders. Grant awards shall prioritize				
54	eligible programs serving schools that demonstrate significant need, including Title I-				
55	eligible schools. Eligible programs shall reflect the recommendations outlined in the				
56	Virginia Community School Framework (2019) and shall include identification of a lead				
57	partner agency, including a public or private agency or community-based organization, to				
58	help coordinate programs and services; use of research- and evidence-based strategies and				

ITEM 136.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	best practices to incorporate integrated student supports that address non-academic and out-				
2	of-school barriers to learning as a means to enhance student success; a dedicated community				
3	school coordinator for each school included in the proposal; and use of rigorous and equitable				
4	evaluation systems to assess student and school outcomes and overall effectiveness of the				
5	community school initiative. Grants may be awarded for the purposes of planning, including				
6	conducting a needs-assessment, and for the purposes of implementation. Any unobligated				
7	balance for this program on June 30, 2023, shall be reappropriated for expenditure in the				
8	second year for the same purpose.				
9	NN. Out of this appropriation, \$1,500,000 the first year from the general fund is provided to				
10	Portsmouth Public Schools to establish a Youth Entrepreneurship Pilot Program in partnership				
11	with institutions of higher education and community partners in Hampton Roads.				
12	OO. Out of this appropriation, \$500,000 the first year from the general fund is provided to the				
13	American Civil War Museum to support the advancement of experiential learning				
14	opportunities for K-12 students. These funds are intended to support high-quality, off-site				
15	learning experiences for students to engage in educational content, aligned to Virginia's				
16	Standards of Learning, related to the American Civil War.				
17	PP. Out of this appropriation, \$150,000 the first year from the general fund is provided to Get				
18	Schooled Center in the Square program in Roanoke for science, math, and agriculture				
19	programming for public school students.				
20	QQ. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
21	general fund is provided for the Achievable Dream partnership with Virginia Beach School				
22	Division.				
23	RR. Out of this appropriation, \$481,180 the first year and \$1,157,065 the second year from				
24	the general fund is provided to support Dolly Parton's Imagination Library for Kids program.				
25	SS. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the				
26	general fund is provided to EduTutorVA to support targeted tutoring to help K-12 students				
27	recover from COVID-19 learning gaps.				
28	TT. Out of the appropriation, \$50,000 the first year from the general fund is provided to				
29	Virginia Boys State of The American Legion to support civic education programming.				
30	UU. Out of this appropriation, \$50,000 the first year from the general fund is provided to the				
31	Western Virginia Public Education Consortium for collaborative work with Radford				
32	University, Virginia Tech, and New River Community College to address teacher vacancies				
33	in the consortium.				
34	VV. Out of this appropriation, \$250,000 the first year from the general fund is provided to the				
35	Virginia Museum of History and Culture and partner institutions of public higher education to				
36	support the advancement of experiential learning opportunities for K-12 students. These funds				
37	are intended to support high-quality, off-site learning experiences and traveling exhibitions				
38	for students to engage in educational content, aligned to Virginia's Standards of Learning,				
39	related to the history of free Blacks in Virginia prior to the Civil War.				
40	WW. Out of this appropriation, \$250,000 the first year and \$250,000 the second year is				
41	provided to the Milk and Cookies (MAC) Children's Program to support expansion of the				
42	support program for children of parents who are incarcerated.				
43	XX. Out of this appropriation, \$500,000 the first year from the general fund is provided to				
44	PBS Appalachia to support curriculum development and the development of learning assets.				
45	YY. Out of this appropriation, \$50,000 the first year from the general fund is provided to the				
46	Virginia Holocaust Museum, in support of the Alexander Lebenstein Teacher Education				
47	Institute, to support the advancement of experiential learning opportunities for K-12 students.				
48	These funds are intended to support high-quality, off-site learning experiences, educational				
49	content, and exhibitions for students to engage in educational content, aligned to Virginia's				
50	Standards of Learning, related to the history of the Holocaust and other genocides.				
51	ZZ. Out of the appropriation, \$50,000 the first year from the general fund is provided to				
52	Virginia Girls State of The American Legion Auxiliary to support civic education				

ITEM 136.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	programming.				
2	AAA. Out of this appropriation, \$864,000 the first year and \$500,000 the second year				
3	from the general fund is provided to Chesterfield County Public Schools to assist with				
4	establishing a recovery high school as a year-round high school with enrollment open to				
5	any high school student residing in Superintendent's Region 1 who is in the early stages of				
6	recovery from substance use disorder or dependency. Students in the high school shall be				
7	provided academic, emotional, and social support needed to progress toward earning a				
8	high school diploma and reintegrating into a traditional high school setting. Chesterfield				
9	County Public Schools shall submit a report regarding the planning, implementation, and				
10	outcomes of the recovery high school to the Chairs of the House Appropriations				
11	Committee and Senate Finance and Appropriations Committee by December 1 each year.				
12	BBB. Out of this appropriation, \$250,000 the first year from the general fund is provided				
13	to the RISE Foundation of Waynesboro for preventive services for at-risk youth.				
14	CCC. Out of this appropriation, \$275,000 the first year from the general fund is provided				
15	to the Denbigh Aviation Academy.				
16	DDD. Out of this appropriation, \$12,000,000 the second year from the general fund is				
17	designated to support school safety and security grants. The Department of Education				
18	shall administer the program and develop guidelines. Funds may be used to support				
19	equipment and planning to improve safety and security, including purposes not authorized				
20	for the existing VPSA-funded Security Equipment grant program. In determining grant				
21	awards, prioritization shall be placed on the severity of identified deficiencies and the				
22	school division's local ability to pay as identified by its local composite index. In addition				
23	to this amount, \$8,000,000 in federal State and Local Recovery Funds are provided for				
24	this purpose pursuant to Item 486.				
25	EEE. Out of this appropriation, \$3,000,000 the second year from the general fund is				
26	provided to Chesapeake Public Schools to support equipment costs for a regional career				
27	and technical education facility in the Chesapeake, Portsmouth, and Norfolk region.				
28	FFF. Out of this appropriation, \$3,000,000 the second year from the general fund is				
29	provided to Falls Church City Public Schools to support safety and security improvements				
30	at Oak Street Elementary School.				
31	GGG. Out of this appropriation, \$150,000 the second year from the general fund is				
32	provided for Critical National Security Language Grants. The Department of Education				
33	shall award these competitive grants to school divisions that provide one or more foreign				
34	language courses in a foreign language that is currently identified as critical by the				
35	National Security Language Initiative for Youth scholarship program. Each grant shall be				
36	limited to an annual amount sufficient to provide one or more full-time equivalent				
37	teaching position to provide one or more critical foreign language courses. The				
38	Department shall establish guidelines for administering the program, including selection				
39	criteria that considers teacher experience and qualifications, student interest, class size				
40	and student to teacher ratios, and the number of courses to be taught.				
41	137. State Education Assistance Programs (17800).....			\$9,772,313,087	\$9,236,167,746
42					\$9,043,644,838
43	Standards of Quality for Public Education (SOQ)				
44	(17801).....	\$7,105,647,051	<del>\$7,049,123,331</del>		
45			\$6,919,740,426		
46	Financial Incentive Programs for Public Education				
47	(17802).....	\$1,826,488,727	<del>\$1,366,432,177</del>		
48			\$1,212,884,996		
49	Financial Assistance for Categorical Programs				
50	(17803).....	\$55,505,594	<del>\$55,940,523</del>		
51			\$56,859,678		
52	Distribution of Lottery Funds (17805).....	\$784,671,715	<del>\$764,671,715</del>		
53			\$854,159,738		
54	Fund Sources: General.....	\$8,935,387,072	<del>\$8,469,105,801</del>		
55			\$8,187,094,870		
56	Special.....	\$895,000	\$895,000		

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Commonwealth Transportation.....	\$1,359,300	\$1,495,230		
2	Trust and Agency.....	\$834,671,715	\$764,671,715		
3			\$854,159,738		
4	Authority: Standards of Quality for Public Education (SOQ) (17801): Article VIII, Section 2,				
5	Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; §§ 22.1-176 through 22.1-				
6	198, 22.1-199.1, 22.1-199.2, 22.1-213 through 22.1-221, 22.1-227 through 22.1-237, 22.1-				
7	253.13:1 through 22.1-253.13:8, 22.1-254.01, Code of Virginia; Title 51.1, Chapters 1, 5, 6.2,				
8	7, and 14, Code of Virginia; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142,				
9	as amended; P.L. 98-524, as amended, Federal Code.				
10	Financial Incentive Programs for Public Education (17802): §§ 22.1-24, 22.1-289.1 through				
11	22.1-318, Code of Virginia; P.L. 79-396, as amended; P.L. 89-10, as amended; P.L. 89-642,				
12	as amended; P.L. 108-265, as amended; Title II P.L. 99-159, as amended, Federal Code.				
13	Financial Assistance for Categorical Programs (17803): Discretionary Inclusion; Treaty of				
14	1677 between Virginia and the Indians; §§ 22.1-3.4, 22.1-108, 22.1-199 through 22.1-212.2:2,				
15	22.1-213 through 22.1-221, 22.1-223 through 22.1-237, 22.1-254, Code of Virginia; P.L. 89-				
16	10, as amended; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as				
17	amended; P.L. 94-588; P.L. 95-561, as amended; P.L. 98-211, as amended; P.L. 98-524, as				
18	amended; P.L. 99-570; P.L. 100-297, as amended; P.L. 102-73, as amended; P.L. 105-220, as				
19	amended, Federal Code.				
20	Distribution of Lottery Funds (17805): §§ 58.1-4022 and 58.1-4022.1, Code of Virginia				
21	<i>It is intended that appropriations under this Item and under Item 138.10 for State Education</i>				
22	<i>Assistance shall support the following programs:</i>				
23	<b>Appropriation Detail of Education</b>				
24	<b>Assistance Programs (17800)</b>				
25	<b>Standards of Quality (17801)</b>	<b>FY 2023</b>		<b>FY 2024</b>	
26	Basic Aid	\$3,733,489,214		\$3,762,257,759	
27		\$3,637,350,106		\$3,872,210,973	
28	Sales Tax	\$1,739,000,000		\$1,640,900,000	
29		\$1,943,600,000		\$1,654,700,000	
30	Textbooks	\$89,797,176		\$90,101,186	
31		\$90,140,608		\$89,909,826	
32	Vocational Education	\$71,320,877		\$71,249,810	
33		\$71,754,918		\$71,582,032	
34	Gifted Education	\$38,513,933		\$38,695,346	
35		\$38,653,178		\$38,601,232	
36	Special Education	\$427,816,140		\$429,073,747	
37		\$429,559,487		\$428,607,447	
38	Prevention, Intervention, and	\$125,697,172		\$125,949,775	
39	Remediation	\$126,074,273		\$125,624,197	
40	English as a Second Language	\$98,474,887		\$106,864,471	
41		\$100,535,325		\$107,489,148	
42	VRS Retirement (includes RHCC)	\$520,016,134		\$521,728,628	
43		\$522,016,098		\$520,749,350	
44	Social Security	\$223,067,461		\$223,798,638	
45		\$223,926,038		\$223,379,463	
46	Group Life	\$15,728,679		\$15,778,593	
47		\$15,789,177		\$15,749,020	
48	Remedial Summer School	\$22,725,378		\$22,725,378	
49		\$31,865,163		\$29,169,304	
50	<b>Total</b>	<b>\$7,105,647,051</b>		<b>\$7,049,123,331</b>	
51		<b>\$7,231,264,371</b>		<b>\$7,177,771,992</b>	
52	<b>Incentive Programs (17802)</b>				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Compensation Supplement	\$231,754,237		\$525,462,688	
2		\$232,252,444		\$586,032,395	
3	Governor's Schools	\$21,285,278		\$22,849,583	
4		\$22,292,915		\$24,408,379	
5	At-Risk Add-On (split funded)	\$178,977,243		\$209,141,908	
6		\$160,106,824		\$11,938,336	
7	Clinical Faculty	\$318,750		\$318,750	
8	Career Switcher Mentoring Grants	\$279,983		\$279,983	
9	Special Education - Endorsement Program	\$437,186		\$437,186	
10					
11	Special Education – Vocational Education	\$200,089		\$200,089	
12					
13	Virginia Workplace Readiness Skills Assessment	\$308,655		\$308,655	
14					
15	Math/Reading Instructional Specialists Initiative	\$1,834,538		\$1,834,538	
16		\$1,725,807			
17	Early Reading Specialists Initiative	\$3,476,790		\$3,476,790	
18		\$3,411,540			
19	Breakfast After the Bell Incentive	\$1,074,000		\$1,074,000	
20	School Meals Expansion	\$4,100,000		\$4,100,000	
21	Virginia Preschool Initiative - Per Pupil Amount	\$115,987,950		\$116,283,670	
22		\$96,249,422		\$104,725,591	
23	Early Childhood Expansion	\$34,368,036		\$45,116,920	
24		\$21,928,290		\$27,328,279	
25	Virginia Preschool Initiative - Provisional Teacher Licensure	\$306,100		\$306,100	
26					
27	Alleghany County - Covington City School Division Consolidation Incentive	\$600,000		\$600,000	
28					
29	Hold Harmless for Rebenchmarking Data Affected by COVID-19	\$177,079,892		\$177,441,317	
30					
31	Supplemental General Fund Payment in Lieu of Sales Tax on Food and Personal Hygiene Products	\$104,100,000		\$257,200,000	
32					
33					
34	School Construction Grants	\$400,000,000		\$0	
35	School Construction Assistance Program	\$450,000,000		\$0	
36					
37	College Partnership Lab Schools	\$100,000,000		\$0	
38	Hold Harmless for Sum of Basic Aid and Sales Tax Payments	\$16,829,270		\$0	
39					
40	Flexible Funding Supplement	\$0		\$418,299,937	
41	<b>Total</b>	<b>\$1,826,488,727</b>		<b>\$1,366,432,177</b>	
42		<b>\$1,793,601,167</b>		<b>\$1,620,310,325</b>	
43	<b>Categorical Programs (17803)</b>				
44	Adult Education	\$1,051,800		\$1,051,800	
45	Adult Literacy	\$2,480,000		\$2,480,000	
46	American Indian Treaty Commitment	\$46,841		\$50,211	
47		\$45,311		\$68,152	
48	School Lunch Program	\$5,801,932		\$5,801,932	
49	Special Education - Homebound	\$3,113,592		\$3,144,724	
50		\$4,348,623		\$5,287,721	
51	Special Education - Jails	\$4,094,025		\$4,250,522	
52	Special Education - State Operated	\$38,917,404		\$39,161,334	

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year	Second Year	First Year	Second Year
		FY2023	FY2024	FY2023	FY2024
1	Programs				
2	<b>Total</b>	<b>\$55,505,594</b>		<b>\$55,940,523</b>	
3		<b>\$56,739,095</b>		<b>\$58,101,461</b>	
4	<b>Lottery Funded Programs (17805)</b>				
5	At-Risk Add-On (split funded)	\$158,134,094		\$131,056,691	
6		\$176,325,114		\$334,719,534	
7	Foster Care	\$12,661,313		\$12,878,410	
8		\$11,151,563		\$11,821,328	
9	Special Education - Regional Tuition	\$85,831,709		\$90,831,709	
10		\$80,464,820		\$90,054,178	
11	Early Reading Intervention	\$51,193,084		\$51,352,970	
12		\$43,515,246		\$36,898,919	
13	Mentor Teacher	\$1,000,000		\$1,000,000	
14	K-3 Primary Class Size Reduction	\$141,268,750		\$141,778,274	
15		\$137,265,346		\$137,314,033	
16	School Breakfast Program	\$9,637,895		\$11,898,741	
17		\$10,689,269		\$7,994,035	
18	SOL Algebra Readiness	\$15,775,313		\$15,781,896	
19		\$15,370,526		\$15,070,022	
20	Infrastructure and Operations Per Pupil	\$276,361,274		\$276,361,272	
21	Funds	\$276,053,409		\$276,361,196	
22	Regional Alternative Education	\$10,453,748		\$11,097,555	
23		\$10,348,856		\$11,033,363	
24	Individualized Student Alternative	\$2,247,581		\$2,247,581	
25	Education Program (ISAEP)				
26	Career and Technical Education –	\$11,681,872		\$11,681,872	
27	Categorical				
28	Project Graduation	\$1,387,240		\$1,387,240	
29	Race to GED (NCLB/EFAL)	\$2,410,988		\$2,410,988	
30	Path to Industry Certification	\$1,831,464		\$1,831,464	
31	(NCLB/EFAL)				
32	Supplemental Basic Aid	\$1,045,390		\$1,075,052	
33		\$1,178,421		\$1,092,523	
34	Supplemental Support for Accomack and	\$1,750,000		\$0	
35	Northampton			\$1,750,000	
36	<b>Total</b>	<b>\$784,671,715</b>		<b>\$764,671,715</b>	
37				<b>\$944,668,276</b>	
38	Technology – VPSA	\$56,348,000		\$56,672,000	
39		\$55,946,000		\$55,894,000	
40	Security Equipment - VPSA	\$12,000,000		\$12,000,000	
41	Payments out of the above amounts shall be subject to the following conditions:				
42	<b>A. Definitions</b>				
43	1. "March 31 Average Daily Membership," or "March 31 ADM" - The responsible school				
44	division's average daily membership for grades K-12 including (1) handicapped students ages				
45	5-21 and (2) students for whom English is a second language who entered school for the first				
46	time after reaching their twelfth birthday, and who have not reached twenty-two years of age				
47	on or before August 1 of the school year, for the first seven (7) months (or equivalent period)				
48	of the school year through March 31 in which state funds are distributed from this				
49	appropriation. Preschool and postgraduate students shall not be included in March 31 ADM.				
50	a. School divisions shall take a count of September 30 fall membership and report this				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	information to the Department of Education no later than October 15 of each year.				
2	b. Except as otherwise provided herein, by statute, or by precedent, all appropriations to				
3	the Department of Education shall be calculated using March 31 ADM unadjusted for				
4	half-day kindergarten programs, estimated at <del>1,211,947.40</del> 1,216,974.92 the first year and				
5	<del>1,216,691.50</del> 1,214,474.95 the second year. March 31 ADM for half-day kindergarten				
6	shall be adjusted at 85 percent.				
7	c. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home				
8	instruction pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a				
9	full-time basis in any mathematics, science, English, history, social science, vocational				
10	education, health education or physical education, fine arts or foreign language course, or				
11	receiving special education services required by a student's individualized education plan,				
12	shall be counted in the funded fall membership and March 31 ADM of the responsible				
13	school division. Each course shall be counted as 0.25, up to a cap of 0.5 of a student.				
14	d. Students enrolled in an Individualized Student Alternative Education Program (ISAE)				
15	pursuant to § 22.1-254 E shall be counted in the March 31 Average Daily Membership of				
16	the responsible school division. School divisions shall report these students separately in				
17	their March 31 reports of Average Daily Membership.				
18	2. "Standards of Quality" - Operations standards for grades kindergarten through 12 as				
19	prescribed by the Board of Education subject to revision by the General Assembly.				
20	3.a. "Basic Operation Cost" - The cost per pupil, including provision for the number of				
21	instructional personnel required by the Standards of Quality for each school division with				
22	a minimum ratio of 51 professional personnel for each 1,000 pupils or proportionate				
23	number thereof, in March 31 ADM for the same fiscal year for which the costs are				
24	computed, and including provision for driver, gifted, occupational-vocational, and special				
25	education, library materials and other teaching materials, teacher sick leave, general				
26	administration, division superintendents' salaries, free textbooks (including those for free				
27	and reduced price lunch pupils), operation and maintenance of school plant, transportation				
28	of pupils, instructional television, professional and staff improvement, remedial work,				
29	fixed charges and other costs in programs not funded by other state and/or federal aid.				
30	4.a. "Composite Index of Local Ability-to-Pay" - An index figure computed for each				
31	locality. The composite index is the sum of 2/3 of the index of wealth per pupil in				
32	unadjusted March 31 ADM reported for the first seven (7) months of the 2019-2020				
33	school year and 1/3 of the index of wealth per capita (population estimates for 2019 as				
34	determined by the Weldon Cooper Center for Public Service of the University of Virginia)				
35	multiplied by the local nominal share of the costs of the Standards of Quality of 0.45 in				
36	each year. The indices of wealth are determined by combining the following constituent				
37	index elements with the indicated weighting: (1) true values of real estate and public				
38	service corporations as reported by the State Department of Taxation for the calendar year				
39	2019 - 50 percent; (2) adjusted gross income for the calendar year 2019 as reported by the				
40	State Department of Taxation - 40 percent; (3) the sales for the calendar year 2019 which				
41	are subject to the state general sales and use tax, as reported by the State Department of				
42	Taxation - 10 percent. Each constituent index element for a locality is its sum per March				
43	31 ADM, or per capita, expressed as a percentage of the state average per March 31 ADM,				
44	or per capita, for the same element. A locality whose composite index exceeds 0.8000				
45	shall be considered as having an index of 0.8000 for purposes of distributing all payments				
46	based on the composite index of local ability-to-pay. Each constituent index element for a				
47	locality used to determine the composite index of local ability-to-pay for the current				
48	biennium shall be the latest available data for the specified official base year provided to				
49	the Department of Education by the responsible source agencies no later than November				
50	15, 2021.				
51	b. For any locality whose total calendar year 2019 Virginia Adjusted Gross Income is				
52	comprised of at least 3 percent or more by nonresidents of Virginia, such nonresident				
53	income shall be excluded in computing the composite index of ability-to-pay. The				
54	Department of Education shall compute the composite index for such localities by using				
55	adjusted gross income data which exclude nonresident income, but shall not adjust the				
56	composite index of any other localities. The Department of Taxation shall furnish to the				
57	Department of Education such data as are necessary to implement this provision.				

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1	c.1) Notwithstanding the funding provisions in § 22.1-25 D, Code of Virginia, additional state				
2	funding for future consolidations shall be as set forth in future Appropriation Acts.				
3	2) In the case of the consolidation of Bedford County and Bedford City school divisions, the				
4	fifteen year period for the application of a new composite shall apply beginning with the fiscal				
5	year that starts on July 1, 2013. The composite index established by the Board of Education				
6	shall equal the lowest composite index that was in effect prior to July 1, 2013, of any				
7	individual localities involved in such consolidation, and this index shall remain in effect for a				
8	period of fifteen years, unless a lower composite index is calculated for the combined division				
9	through the process for computing an index as set forth above.				
10	3) If the composite index of a consolidated school division is reduced during the course of the				
11	fifteen year period to a level that would entitle the school division to a lower interest rate for a				
12	Literary Fund loan than it received when the loan was originally released, the Board of				
13	Education shall reduce the interest rate of such loan for the remainder of the period of the				
14	loan. Such reduction shall be based on the interest rate that would apply at the time of such				
15	adjustment. This rate shall remain in effect for the duration of the loan and shall apply only to				
16	those years remaining to be paid.				
17	d. When it is determined that a substantial error exists in a constituent index element, the				
18	Department of Education will make adjustments in funding for the current school year only in				
19	the division where the error occurred. The composite index of any other locality shall not be				
20	changed as a result of the adjustment. No adjustment during the biennium will be made as a				
21	result of updating of data used in a constituent index element.				
22	e. In the event that any school division consolidates two or more small schools, the division				
23	shall continue to receive Standards of Quality funding and provide for the required local				
24	expenditure for a period of five years as if the schools had not been consolidated. Small				
25	schools are defined as any elementary, middle, or high school with enrollment below 200, 300				
26	and 400 students, respectively.				
27	5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on				
28	the composite index of local ability-to-pay of the cost required by all the Standards of Quality				
29	minus its estimated revenues from the state sales and use tax dedicated to public education,				
30	those sales tax revenues transferred to the general fund from the Public Education Standards				
31	of Quality/Local Real Estate Property Tax Relief Fund and the amounts distributed in Item				
32	137.C.5.b.2 for fiscal year 2023 and fiscal year 2024 and appropriated in this Item, which are				
33	returned on the basis of the latest yearly estimate of school age population provided by the				
34	Weldon Cooper Center for Public Service, as specified in this Item, collected by the				
35	Department of Education and distributed to school divisions in the fiscal year in which the				
36	school year begins.				
37	6. "Required Local Match" - The locality's required share of program cost based on the				
38	composite index of local ability-to-pay for all Lottery and Incentive programs, where				
39	required, in which the school division has elected to participate in a fiscal year. Amounts				
40	distributed as the Supplemental General Fund Payment in Lieu of Sales Tax on Food and				
41	Personal Hygiene Products, in Item 137.C.5.b.2, require no local match.				
42	7. "Planning District Eight" - The nine localities which comprise Planning District Eight are				
43	Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria				
44	City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.				
45	8. "State Share of the Standards of Quality" - The state share of the Standards of Quality				
46	(SOQ) shall be equal to the total funded SOQ cost for a school division less the school				
47	division's estimated revenues from the state sales and use tax dedicated to public education				
48	and the amounts distributed in Item 137.C.5.b.2 for fiscal year 2023 and fiscal year 2024				
49	based on the latest yearly estimate of school age population provided by the Weldon Cooper				
50	Center for Public Service, adjusted for the state's share of the composite index of local ability				
51	to pay.				
52	9. Entitlements under this Item that use school-level or division-level Free Lunch eligibility				
53	percentages to determine the entitlement amounts are based on the most recent data available				
54	as of the biennial rebenchmarking calculations made for the current biennium. For schools				
55	that participate in the Community Eligibility Provision program, such entitlements are based				



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1	on the most recent Free Lunch eligibility data available prior to that school's enrollment in				
2	the Community Eligibility Provision program.				
3	10. In the event that the general fund appropriations in this Item are not sufficient to meet				
4	the entitlements payable to school divisions pursuant to the provisions of this Item, the				
5	Department of Education is authorized to transfer any available general fund funds				
6	between these Items to address such insufficiencies. If the total general fund				
7	appropriations after such transfers remain insufficient to meet the entitlements of any				
8	program funded with general fund dollars, the Department of Education is authorized to				
9	prorate such shortfall proportionately across all of the school divisions participating in any				
10	program where such shortfall occurred.				
11	11. The Department of Education is directed to apply a cap on inflation rates in the same				
12	manner prescribed in § 51.1-166.B, Code of Virginia, when updating funding to school				
13	divisions during the biennial rebenchmarking process.				
14	12. Notwithstanding any other provision in statute or in this Item, the Department of				
15	Education is directed to combine the end-of-year Average Daily Membership (ADM) for				
16	those school divisions who have partnered together as a fiscal agent division and a				
17	contractual division for the purposes of calculating prevailing costs included in the				
18	Standards of Quality (SOQ).				
19	13. Notwithstanding any other provision in statute or in this Item, the Department of				
20	Education is directed to include zeroes in the linear weighted average calculation of				
21	support non-personal costs for the purpose of calculating prevailing costs included in the				
22	Standards of Quality (SOQ).				
23	14. Notwithstanding any other provision in statute or in this Item, the Department of				
24	Education is directed to eliminate the corresponding and appropriate object code(s) related				
25	to reported travel expenditures included the linear weighted average non-personal cost				
26	calculations for the purpose of calculating prevailing costs included in the Standards of				
27	Quality (SOQ).				
28	15. Notwithstanding any other provision in statute or in this Item, the Department of				
29	Education is directed to eliminate the corresponding and appropriate object code(s) related				
30	to reported leases and rental and facility expenditures included the linear weighted average				
31	non-personal cost calculations for the purpose of calculating prevailing costs included in				
32	the Standards of Quality (SOQ).				
33	16. Notwithstanding any other provision in statute or in this Item, the Department of				
34	Education is directed to fund transportation costs using a 15 year replacement schedule,				
35	which is the national standard guideline, for school bus replacement schedule for the				
36	purpose of calculating funded transportation costs included in the Standards of Quality				
37	(SOQ).				
38	17. To provide additional flexibility, notwithstanding the provisions of § 22.1-79.1, Code				
39	of Virginia, any school division that was granted a waiver regarding the opening date of				
40	the school year for the 2011-2012 school year under the good cause requirements shall				
41	continue to be granted a waiver for the 2022-2023 school year and the 2023-2024 school				
42	year.				
43	<b>B. General Conditions</b>				
44	1. The Standards of Quality cost in this Item related to fringe benefits shall be limited for				
45	instructional staff members to the employer's cost for a number not exceeding the number				
46	of instructional positions required by the Standards of Quality for each school division and				
47	for their salaries at the statewide prevailing salary levels as printed below.				
48	<b>Instructional Position</b>	<b>First Year Salary</b>	<b>Second Year Salary</b>		
49	Elementary Teachers	\$53,996	\$53,996		
50	Elementary Assistant Principals	\$75,435	\$75,435		
51	Elementary Principals	\$93,869	\$93,869		
52	Secondary Teachers	\$56,977	\$56,977		
53	Secondary Assistant Principals	\$81,093	\$81,093		

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		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Secondary Principals	\$102,844		\$102,844	
2	Instructional Aides	\$21,304		\$21,304	
3	a.1) Payment by the state to a local school division shall be based on the state share of fringe benefit costs of 55 percent of the employer's cost distributed on the basis of the composite index.				
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6	2) A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing fringe benefit funds under this provision.				
7					
8	3) The state payment to each school division for retirement, social security, and group life insurance costs for non-instructional personnel is included in and distributed through Basic Aid.				
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11	b. Payments to school divisions from this Item shall be calculated using March 31 Average Daily Membership adjusted for half-day kindergarten programs.				
12					
13	c. Payments for health insurance fringe benefits are included in and distributed through Basic Aid.				
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15	2. Each locality shall offer a school program for all its eligible pupils which is acceptable to the Department of Education as conforming to the Standards of Quality program requirements.				
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18	3. In the event the statewide number of pupils in March 31 ADM results in a state share of cost exceeding the general fund appropriation in this Item, the locality's state share of Basic Aid shall be reduced proportionately so that this general fund appropriation will not be exceeded. In addition, the required local share of Basic Aid shall also be reduced proportionately to the reduction in the state's share.				
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23	4. The Department of Education shall make equitable adjustments in the computation of indices of wealth and in other state-funded accounts for localities affected by annexation, unless a court of competent jurisdiction makes such adjustments. However, only the indices of wealth and other state-funded accounts of localities party to the annexation will be adjusted.				
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27	5. In the event that the actual revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item (both of which are returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service) for sales in the fiscal year in which the school year begins are different from the number estimated as the basis for this appropriation, the estimated state sales and use tax revenues shall not be adjusted.				
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34	6. This appropriation shall be apportioned to the public schools with guidelines established by the Department of Education consistent with legislative intent as expressed in this act.				
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36	7.a. Appropriations of state funds in this Item include the number of positions required by the Standards of Quality. This Item includes a minimum of 51 professional instructional positions and aide positions (C 5); Education of the Gifted, 1.0 professional instructional position (C 6); Occupational-Vocational Education Payments and Special Education Payments; a minimum of 6.0 professional instructional positions and aide positions (C 7 and C 8) for each 1,000 pupils in March 31 ADM each year in support of the current Standards of Quality. Funding in support of one hour of additional instruction per day based on the percent of students eligible for the federal free lunch program with a pupil-teacher ratio range of 18:1 to 10:1, depending upon a school division's combined failure rate on the English and Math Standards of Learning, is included in Remedial Education Payments (C 9).				
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46	b. No actions provided in this section signify any intent of the General Assembly to mandate an increase in the number of instructional personnel per 1,000 students above the numbers explicitly stated in the preceding paragraph.				
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49	c. Appropriations in this Item include programs supported in part by transfers to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this Act. These transfers combined together with other				
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		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	appropriations from the general fund in this Item funds the state's share of the following				
2	revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of				
3	Assembly of 2004: five elementary resource teachers per 1,000 students; one support				
4	technology position per 1,000 students; one instructional technology position per 1,000				
5	students; and a full daily planning period for teachers at the middle and high school levels				
6	in order to relieve the financial pressure these education programs place on local real				
7	estate taxes.				
8	d. To provide flexibility, school divisions may use the state and local funds for				
9	instructional technology resource teachers required by the Standards of Quality to employ				
10	a data coordinator position, an instructional technology resource teacher position, or a data				
11	coordinator/instructional resource teacher blended position. The data coordinator position				
12	is intended to serve as a resource to principals and classroom teachers in the area of data				
13	analysis and interpretation for instructional and school improvement purposes, as well as				
14	for overall data management and administration of state assessments. School divisions				
15	using these SOQ funds in this manner shall only employ instructional personnel licensed				
16	by the Board of Education.				
17	e. To provide flexibility in the provision of reading intervention services, school divisions				
18	may use the state Early Reading Intervention initiative funding provided from the Lottery				
19	Proceeds Fund and the required local matching funds to employ reading specialists to				
20	provide the required reading intervention services. School divisions using the Early				
21	Reading Intervention Initiative funds in this manner shall only employ instructional				
22	personnel licensed by the Board of Education.				
23	f. To provide flexibility in the provision of mathematics intervention services, school				
24	divisions may use the state Standards of Learning Algebra Readiness initiative funding				
25	provided from the Lottery Proceeds Fund and the required local matching funds to employ				
26	mathematics teacher specialists to provide the required mathematics intervention services.				
27	School divisions using the Standards of Learning Algebra Readiness initiative funding in				
28	this manner shall only employ instructional personnel licensed by the Board of Education.				
29	g. Notwithstanding the provisions of subsection H 1 of § <a href="#">22.1-253.13:2</a> of the Code of				
30	Virginia, each local school board shall employ, at a minimum, one full-time principal in				
31	each elementary school.				
32	h. Notwithstanding the provisions of subsection G of § <a href="#">22.1-253.13:2</a> of the Code of				
33	Virginia, each local school board shall employ a reading specialist for each 550 students in				
34	kindergarten through grade three. To provide flexibility, school boards may employ other				
35	staff such as reading coaches or other instructional staff who are working towards				
36	obtaining the training and licensure requirements necessary to fulfill the staffing standards				
37	that become effective at the start of the 2024-2025 school year. School divisions are				
38	encouraged to deploy these positions to assist in reading instruction and intervention to				
39	students in kindergarten through sixth grade.				
40	8.a.1) Pursuant to § <a href="#">22.1-97</a> , Code of Virginia, the Department of Education is required to				
41	make calculations at the start of the school year to ensure that school divisions have				
42	appropriated adequate funds to support their estimated required local expenditure for the				
43	corresponding state fiscal year. In an effort to reduce the administrative burden on school				
44	divisions resulting from state data collections, such as the one needed to make the				
45	aforementioned calculations, the requirements of § <a href="#">22.1-97</a> , Code of Virginia, pertaining				
46	to the adequacy of estimated required local expenditures, shall be satisfied by signed				
47	certification by each division superintendent at the beginning of each school year that				
48	sufficient local funds have been budgeted to meet all state required local effort and				
49	required local match amounts. This provision shall only apply to calculations required of				
50	the Department of Education related to estimated required local expenditures and shall not				
51	pertain to the calculations associated with actual required local expenditures after the close				
52	of the school year.				
53	2) The Department of Education shall also make calculations after the close of the school				
54	year to verify that the required local effort level, based on actual March 31 Average Daily				
55	Membership, was met. Pursuant to § <a href="#">22.1-97</a> , Code of Virginia, the Department of				
56	Education shall report annually, no later than the first day of the General Assembly				
57	session, to the House Committees on Education and Appropriations and the Senate				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Committees on Finance and Appropriations and Education and Health, the results of such calculations made after the close of the school year and the degree to which each school division has met, failed to meet, or surpassed its required local expenditure. The Department of Education shall specify the calculations to determine if a school division has expended its required local expenditure for the Standards of Quality. This calculation may include but is not limited to the following calculations:				
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7	b. The total expenditures for operation, defined as total expenditures less all capital outlays, expenditures for debt service, facilities, non-regular day school programs (such as adult education, preschool, and non-local education programs), and any transfers to regional programs will be calculated.				
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11	c. The following state funds will be deducted from the amount calculated in paragraph a. above: revenues from the state sales and use tax (returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in this Item) for sales in the fiscal year in which the school year begins; total receipts from state funds (except state funds for non-regular day school programs and state funds used for capital or debt service purposes); and the state share of any balances carried forward from the previous fiscal year. Any qualifying state funds that remain unspent at the end of the fiscal year will be added to the amount calculated in paragraph a. above.				
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19	d. Federal funds, and any federal funds carried forward from the previous fiscal year, will also be deducted from the amount calculated in paragraph a. above. Any federal funds that remain unspent at the end of the fiscal year and any capital expenditures paid from federal funds will be added to the amount calculated in paragraph a. above.				
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23	e. Tuition receipts, receipts from payments from other cities or counties, and fund transfers will also be deducted from the amount calculated in paragraph a, then				
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25	f. The final amount calculated as described above must be equal to or greater than the required local expenditure defined in paragraph A. 5.				
26					
27	g. The Department of Education shall collect the data necessary to perform the calculations of required local expenditure as required by this section.				
28					
29	h. A locality whose expenditure in fact exceeds the required amount from local funds may not reduce its expenditures unless it first complies with all of the Standards of Quality.				
30					
31	9.a. Any required local matching funds which a locality, as of the end of a school year, has not expended, pursuant to this Item, for the Standards of Quality shall be paid by the locality into the general fund of the state treasury. Such payments shall be made not later than the end of the school year following that in which the under expenditure occurs.				
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35	b. Whenever the Department of Education has recovered funds as defined in the preceding paragraph a., the Secretary of Education is authorized to repay to the locality affected by that action, seventy-five percent (75%) of those funds upon his determination that:				
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38	1) The local school board agrees to include the funds in its June 30 ending balance for the year following that in which the under expenditure occurs;				
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40	2) The local governing body agrees to reappropriate the funds as a supplemental appropriation to the approved budget for the second year following that in which the under expenditure occurs, in an appropriate category as requested by the local school board, for the direct benefit of the students;				
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44	3) The local school board agrees to expend these funds, over and above the funds required to meet the required local expenditure for the second year following that in which the under expenditure occurs, for a special project, the details of which must be furnished to the Department of Education for review and approval;				
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48	4) The local school board agrees to submit quarterly reports to the Department of Education on the use of funds provided through this project award; and				
49					
50	5) The local governing body and the local school board agree that the project award will be cancelled and the funds withdrawn if the above conditions have not been met as of June 30 of				
51					

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1	the second year following that in which the under expenditure occurs.				
2	c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum				
3	sufficient, not to exceed 75 percent of the funds deposited in the general fund pursuant to				
4	the preceding paragraph a.				
5	10. The Department of Education shall specify the manner for collecting the required				
6	information and the method for determining if a school division has expended the local				
7	funds required to support the actual local match based on all Lottery and Incentive				
8	programs in which the school division has elected to participate. Unless specifically stated				
9	otherwise in this Item, school divisions electing to participate in any Lottery or Incentive				
10	program that requires a local funding match in order to receive state funding, shall certify				
11	to the Department of Education its intent to participate in each program by July 1 each				
12	fiscal year in a manner prescribed by the Department of Education. As part of this				
13	certification process, each division superintendent must also certify that adequate local				
14	funds have been appropriated, above the required local effort for the Standards of Quality,				
15	to support the projected required local match based on the Lottery and Incentive programs				
16	in which the school division has elected to participate. State funding for such program(s)				
17	shall not be made until such time that the school division can certify that sufficient local				
18	funding has been appropriated to meet required local match. The Department of Education				
19	shall make calculations after the close of the fiscal year to verify that the required local				
20	match was met based on the state funds that were received.				
21	11. Any sum of local matching funds for Lottery and Incentive program which a locality				
22	has not expended as of the end of a fiscal year in support of the required local match				
23	pursuant to this Item shall be paid by the locality into the general fund of the state treasury				
24	unless the carryover of those unspent funds is specifically permitted by other provisions of				
25	this act. Such payments shall be made no later than the end of the school year following				
26	that in which the under expenditure occurred.				
27	12. The Superintendent of Public Instruction shall provide a report annually, no later than				
28	the first day of the General Assembly session, on the status of teacher salaries, by local				
29	school division, to the Governor and the Chairs of the Senate Finance and Appropriations				
30	and House Appropriations Committees. In addition to information on average salaries by				
31	school division and statewide comparisons with other states, the report shall also include				
32	information on starting salaries by school division and average teacher salaries by school.				
33	13. All state and local matching funds required by the programs in this Item shall be				
34	appropriated to the budget of the local school board.				
35	14. By November 1 of each year, the Department of Planning and Budget, in cooperation				
36	with the Department of Education, shall prepare and submit a preliminary forecast of				
37	Standards of Quality expenditures, based upon the most current data available, to the				
38	Chairs of the House Appropriations and Senate Finance and Appropriations Committees.				
39	In odd-numbered years, the forecast for the current and subsequent two fiscal years shall				
40	be provided. In even-numbered years, the forecast for the current and subsequent fiscal				
41	year shall be provided. The forecast shall detail the projected March 31 Average Daily				
42	Membership and the resulting impact on the education budget.				
43	15. School divisions may choose to use state payments provided for Standards of Quality				
44	Prevention, Intervention, and Remediation in both years as a block grant for remediation				
45	purposes, without restrictions or reporting requirements, other than reporting necessary as				
46	a basis for determining funding for the program.				
47	16. Except as otherwise provided in this act, the Superintendent of Public Instruction shall				
48	provide guidelines for the distribution and expenditure of general fund appropriations and				
49	such additional federal, private and other funds as may be made available to aid in the				
50	establishment and maintenance of the public schools.				
51	17. At the Department of Education's option, fees for audio-visual services may be				
52	deducted from state Basic Aid payments for individual local school divisions.				
53	18. For distributions not otherwise specified, the Department of Education, at its option,				
54	may use prior year data to calculate actual disbursements to individual localities.				

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		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	19. Payments for accounts related to the Standards of Quality made to localities for public				
2	education from the general fund, as provided herein, shall be payable in twenty-four semi-				
3	monthly installments at the middle and end of each month.				
4	20. Notwithstanding § 58.1-638 D., Code of Virginia, and other language in this Item, the				
5	Department of Education shall, for purposes of calculating the state and local shares of the				
6	Standards of Quality, apportion state sales and use tax dedicated to public education and those				
7	sales tax revenues transferred to the general fund from the Public Education Standards of				
8	Quality/ Local Real Estate Property Tax Relief Fund in the first year based on the July 1,				
9	2020, estimate of school age population provided by the Weldon Cooper Center for Public				
10	Service and, in the second year, based on the July 1, 2021, estimate of school age population				
11	provided by the Weldon Cooper Center for Public Service.				
12	Notwithstanding § 58.1-638 D., Code of Virginia, and other language in this Item, the State				
13	Comptroller shall distribute the state sales and use tax revenues dedicated to public education				
14	and those sales tax revenues transferred to the general fund from the Public Education				
15	Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based on				
16	the July 1, 2020, estimate of school age population provided by the Weldon Cooper Center for				
17	Public Service and, in the second year, based on the July 1, 2021, estimate of school age				
18	population provided by the Weldon Cooper Center for Public Service.				
19	21. The school divisions within the Tobacco Region, as defined by the Tobacco Region				
20	Revitalization Commission, shall jointly explore ways to maximize their collective				
21	expenditure reimbursement totals for all eligible E-Rate funding.				
22	22. This Item includes appropriations totaling an estimated \$784,671,715 the first year and				
23	<del>\$764,671,715</del> \$944,668,276 the second year from the revenues deposited to the Lottery				
24	Proceeds Fund. These amounts are appropriated for distribution to counties, cities, and towns				
25	to support public education programs pursuant to Article X, Section 7-A Constitution of				
26	Virginia. Any county, city, or town which accepts a distribution from this fund shall provide				
27	its portion of the cost of maintaining an educational program meeting the Standards of Quality				
28	pursuant to Section 2 of Article VIII of the Constitution without the use of distributions from				
29	the fund.				
30	23. For reporting purposes, the Department of Education shall include Lottery Proceeds Funds				
31	as state funds.				
32	24.a. Any locality that has met its required local effort for the Standards of Quality accounts				
33	for FY 2023 and that has met its required local match for incentive or Lottery-funded				
34	programs in which the locality elected to participate in FY 2023 may carry over into FY 2024				
35	any remaining state Direct Aid to Public Education fund balances available to help minimize				
36	any FY 2024 revenue adjustments that may occur in state funding to that locality. Localities				
37	electing to carry forward such unspent state funds must appropriate the funds to the school				
38	division for expenditure in FY 2024.				
39	b. Any locality that has met its required local effort for the Standards of Quality accounts for				
40	FY 2024 and that has met its required local match for incentive or Lottery-funded programs in				
41	which the locality elected to participate in FY 2024 may carry over into FY 2025 any				
42	remaining state Direct Aid to Public Education fund balances available to help minimize any				
43	FY 2025 revenue adjustments that may occur in state funding to that locality. Localities				
44	electing to carry forward such unspent state funds must appropriate the funds to the school				
45	division for expenditure in FY 2025.				
46	25. Localities are encouraged to allow school boards to carry over any unspent local				
47	allocations into the next fiscal year. Localities are also encouraged to provide increased				
48	flexibility to school boards by appropriating state and local funds for public education in a				
49	lump sum.				
50	26. The Department of Education shall include in the annual School Performance Report Card				
51	for school divisions the percentage of each division's annual operating budget allocated to				
52	instructional costs. For this report, the Department of Education shall establish a methodology				
53	for allocating each school division's expenditures to instructional and non-instructional costs				
54	in a manner that is consistent with the funding of the Standards of Quality as approved by the				
55	General Assembly.				

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1	27. It is the intent of the General Assembly that all school divisions annually provide their				
2	employees, upon request, with a user-friendly statement of total compensation, including				
3	contract duration if less than 12 months.				
4	28. The Department of Education, in collaboration with the Virginia Community College				
5	System, will ensure that the same policies regarding the cost for dual enrollment courses				
6	held at a community college, are consistently applied to public school students and home-				
7	schooled students alike. These policies will clearly address the school division				
8	contributions and any student charges for dual enrollment courses, and will ensure that				
9	public school students and home-school students are treated in the same manner.				
10	29. Each school division shall report each year to the Department of Education the				
11	individual uses for the prior year of the following funds prescribed by this item: (i)				
12	Prevention, Intervention, and Remediation, (ii) At-Risk Add-On, and (iii) Early Reading				
13	Intervention. The Department shall prescribe the format and timeline required for the				
14	reporting of such information, which shall include, permitted categories of spending,				
15	personnel, both state and local contributions, and to the extent possible, the individual				
16	schools which these funds were expended. The Department shall compile and submit this				
17	information to the Chairs of the House Appropriations and Senate Finance and				
18	Appropriations Committees no later than the first day of the General Assembly session.				
19	30. Multidivision online providers, as defined in § 22.1-212.23, Code of Virginia, shall				
20	provide certain data as prescribed by the Department of Education related to students				
21	enrolled through a contract between such a provider and a school division, including such				
22	students who do not reside in the school division that is party to the contract. Such data				
23	shall include, but is not limited to, enrollment, which shall be disaggregated by serving				
24	school, demographics, attendance, achievement, and achievement gaps, and be transmitted				
25	in a format prescribed by the Department. The Department shall report such data annually				
26	through the School Quality Profiles in a manner that clearly disaggregates and				
27	communicates school quality information related to (i) the students that do not reside in				
28	the school division and are served through the contract, and (ii) all other students.				
29	31. Each school division shall report to the Department of Education information about				
30	pass-through federal Elementary and Secondary School Emergency Relief funds provided				
31	through the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136), the				
32	Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (P.L. 116-				
33	260) and the American Rescue Plan Act (P.L. 117-2). The Department shall prescribe the				
34	format and timeline required for the reporting of such information, which shall include				
35	obligated and unobligated amounts, planned uses and planned timing for the use of the				
36	remaining obligated and unobligated amounts. The Department shall compile and submit				
37	this information to the Chairs of the House Appropriations and Senate Finance and				
38	Appropriations Committees no later than September 1, 2023 and September 1, 2024.				
39	<b>C. Apportionment</b>				
40	1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each				
41	locality shall receive sums as listed above within this program for the basic operation cost				
42	and payments in addition to that cost. The apportionment herein directed shall be inclusive				
43	of, and without further payment by reason of, state funds for library and other teaching				
44	materials.				
45	2. School Employee Retirement Contributions				
46	a. This Item provides funds to each local school board for the state share of the employer's				
47	retirement cost incurred by it, on behalf of instructional and support personnel, for				
48	subsequent transfer to the retirement allowance account as provided by Title 51.1, Chapter				
49	1, Code of Virginia.				
50	b. Notwithstanding § 51.1-1401, Code of Virginia, the Commonwealth shall provide				
51	payments for only the state share of the Standards of Quality fringe benefit cost of the				
52	retiree health care credit. This Item includes payments in both years based on the state				
53	share of fringe benefit costs of 55 percent of the employer's cost on funded Standards of				
54	Quality instructional and support positions, distributed based on the composite index of				
55	the local ability-to-pay.				



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1	3. School Employee Social Security Contributions				
2	This Item provides funds to each local school board for the state share of the employer's				
3	Social Security cost incurred by it, on behalf of the instructional personnel for subsequent				
4	transfer to the Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia.				
5	4. School Employee Insurance Contributions				
6	This Item provides funds to each local school board for the state share of the employer's				
7	Group Life Insurance cost incurred by it on behalf of instructional personnel who participate				
8	in group insurance under the provisions of Title 51.1, Chapter 5, Code of Virginia.				
9	5. Basic Aid Payments				
10	a.1) A state share of the Basic Operation Cost, which cost per pupil in March 31 ADM is				
11	established individually for each local school division based on the number of instructional				
12	personnel required by the Standards of Quality and the statewide prevailing salary levels				
13	(adjusted in Planning District Eight for the cost of competing) as well as recognized support				
14	costs calculated on a prevailing basis for an estimated March 31 ADM.				
15	2) This appropriation includes funding to recognize the common labor market in the				
16	Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area.				
17	Standards of Quality salary payments for instructional and support positions in school				
18	divisions of the localities set out below have been adjusted for the equivalent portion of the				
19	Cost of Competing Adjustment (COCA) rates that are paid to local school divisions in				
20	Planning District Eight. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren,				
21	Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, the SOQ payments				
22	for instructional and support positions have been increased by 25 percent each year of the				
23	COCA rates paid to school divisions in Planning District Eight.				
24	The support COCA rate is 18.0 percent.				
25	b. 1) The state share for a locality shall be equal to the Basic Operation Cost for that locality				
26	less the locality's estimated revenues from the state sales and use tax and the amounts				
27	distributed in Item 137.C.5.b.2 for fiscal year 2023 and fiscal year 2024 (returned on the basis				
28	of the latest yearly estimate of school age population provided by the Weldon Cooper Center				
29	for Public Service, as specified in this Item), in the fiscal year in which the school year begins				
30	and less the required local expenditure.				
31	2) \$104,100,000 the first year and \$257,200,000 the second year from the general fund shall				
32	be distributed to localities on the basis of the latest yearly estimate of school age population				
33	provided by the Weldon Cooper Center for Public Service as specified in this item. These				
34	funds represent the reduction to divisions from the exemption of the state sales and use tax on				
35	food for human consumption and essential personal hygiene products.				
36	c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use tax				
37	estimates are as cited in this Item.				
38	d. 1) In accordance with the provisions of § 37.2-713, Code of Virginia, the Department of				
39	Education shall deduct the locality's share for the education of handicapped pupils residing in				
40	institutions within the Department of Behavioral Health and Developmental Services from the				
41	locality's Basic Aid payments.				
42	2) The amounts deducted from Basic Aid for the education of intellectually disabled persons				
43	shall be transferred to the Department of Behavioral Health and Developmental Services in				
44	support of the cost of educating such persons; the amount deducted from Basic Aid for the				
45	education of emotionally disturbed persons shall be used to cover extraordinary expenses				
46	incurred in the education of such persons. The Department of Education shall establish				
47	guidelines to implement these provisions and shall provide for the periodic transfer of sums				
48	due from each local school division to the Department of Behavioral Health and				
49	Developmental Services and for Special Education categorical payments. The amount of the				
50	actual transfers will be based on data accumulated during the prior school year.				
51	e. 1) The apportionment to localities of all driver education revenues received during the				
52	school year shall be made as an undesignated component of the state share of Basic Aid in				



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1	accordance with the provisions of this Item. Only school divisions complying with the				
2	standardized program established by the Board of Education shall be entitled to participate				
3	in the distribution of state funds appropriated for driver education. The Department of				
4	Education will deduct a designated amount per pupil from a school division's Basic Aid				
5	payment when the school division is not in compliance with § 22.1-205 C, Code of				
6	Virginia. Such amount will be computed by dividing the current appropriation for the				
7	Driver Education Fund by actual March 31 ADM.				
8	2) Local school boards may charge a per pupil fee for behind-the-wheel driver education				
9	provided, however, that the fee charged plus the per pupil basic aid reimbursement for				
10	driver education shall not exceed the actual average per pupil cost. Such fees shall not be				
11	cause for a pro rata reduction in Basic Aid payments to school divisions.				
12	f. Textbooks				
13	1) The appropriation in this Item includes <del>\$89,797,176</del> \$90,140,608 the first year and				
14	<del>\$90,101,186</del> \$89,909,826 the second year from the general fund as the state's share of the				
15	cost of textbooks based on a per pupil amount of \$132.38 the first year and \$132.38 the				
16	second year. A school division shall appropriate these funds for textbooks or any other				
17	public education instructional expenditure by the school division. The state's distributions				
18	for textbooks shall be based on adjusted March 31 ADM. These funds shall be matched by				
19	the local government, based on the composite index of local ability-to-pay.				
20	2) School divisions shall provide free textbooks to all students.				
21	3) School divisions may use a portion of this funding to purchase Standards of Learning				
22	instructional materials. School divisions may also use these funds to purchase electronic				
23	textbooks or other electronic media resources integral to the curriculum and classroom				
24	instruction and the technical equipment required to read and access the electronic				
25	textbooks and electronic curriculum materials.				
26	4) Any funds provided to school divisions for textbook costs that are unexpended as of				
27	June 30, 2023, or June 30, 2024, shall be carried on the books of the locality to be				
28	appropriated to the school division the following year to be used for same purpose. School				
29	divisions are permitted to carry forward any remaining balance of textbook funds until the				
30	funds are expensed for a qualifying purpose.				
31	g. The one-cent state sales and use tax earmarked for education and the sales tax revenues				
32	transferred to the general fund from the Public Education Standards of Quality/Local Real				
33	Estate Property Tax Relief Fund and appropriated in this Item which are distributed to				
34	localities on the basis of the latest yearly estimate of school age population provided by				
35	the Weldon Cooper Center for Public Service as specified in this Item shall be reflected in				
36	each locality's annual budget for educational purposes as a separate revenue source for the				
37	current fiscal year.				
38	h. The appropriation for the Standards of Quality for Public Education (SOQ) includes				
39	amounts estimated at <del>\$507,300,000</del> \$575,200,000 the first year and <del>\$522,000,000</del>				
40	<del>\$550,900,000</del> the second year from the amounts transferred to the general fund from the				
41	Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund				
42	pursuant to Part 3 of this act which are derived from the 0.375 cent increase in the state				
43	sales and use tax levied pursuant to § 58.1-638, Code of Virginia. These additional funds				
44	are provided to local school divisions and local governments in order to relieve the				
45	financial pressure education programs place on local real estate taxes.				
46	i. From the total amounts in paragraph h. above, an amount estimated at				
47	<del>\$338,200,000</del> \$383,400,000 the first year and <del>\$348,000,000</del> \$367,300,000 the second year				
48	(approximately 1/4 cent of sales and use tax) is appropriated to support a portion of the				
49	cost of the state's share of the following revisions to the Standards of Quality pursuant to				
50	Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers				
51	per 1,000 students; one support and one instructional technology position per 1,000				
52	students; a full daily planning period for teachers at the middle and high school levels in				
53	order to relieve the pressure on local real estate taxes and shall be taken into account by				
54	the governing body of the county, city, or town in setting real estate tax rates.				

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1	j. From the total amounts in paragraph h. above, an amount estimated at				
2	<del>\$169,100,000</del> \$191,700,000 the first year and <del>\$174,000,000</del> \$183,600,000 the second year				
3	(approximately 1/8 cent of sales and use tax) is appropriated in this Item to distribute the				
4	remainder of the revenues collected and deposited into the Public Education Standards of				
5	Quality/Local Real Estate Property Tax Relief Fund on the basis of the latest yearly estimate				
6	of school age population provided by the Weldon Cooper Center for Public Service as				
7	specified in this Item.				
8	k. For the purposes of funding certain support positions in Basic Aid, a funding ratio				
9	methodology is used based upon 20 support positions per 1,000 ADM to funded SOQ				
10	instructional positions in the first year and <del>21</del> 24 support positions per 1,000 ADM to funded				
11	SOQ instructional positions in the second year. Such methodology shall not apply to the				
12	following SOQ support positions: division superintendent, school board members, pupil				
13	transportation positions, or specialized student support positions established in Chapter 454,				
14	2021 Acts of Assembly, Special Session I.				
15	6. Education of the Gifted Payments				
16	a. An additional payment shall be disbursed by the Department of Education to local school				
17	divisions to support the state share of one full-time equivalent instructional position per 1,000				
18	students in adjusted March 31 ADM.				
19	b. Local school divisions are required to spend, as part of the required local expenditure for				
20	the Standards of Quality the established per pupil cost for gifted education (state and local				
21	share) on approved programs for the gifted.				
22	7. Occupational-Vocational Education Payments				
23	a. An additional payment shall be disbursed by the Department of Education to the local				
24	school divisions to support the state share of the number of Vocational Education instructors				
25	required by the Standards of Quality. These funds shall be disbursed on the same basis as the				
26	payment is calculated.				
27	b. An amount estimated at \$131,951,563 the first year and \$132,238,627 the second year from				
28	the general fund included in Basic Aid Payments relates to vocational education programs in				
29	support of the Standards of Quality.				
30	8. Special Education Payments				
31	a. An additional payment shall be disbursed by the Department of Education to the local				
32	school divisions to support the state share of the number of Special Education instructors				
33	required by the Standards of Quality. These funds shall be disbursed on the same basis as the				
34	payment is calculated.				
35	b. Out of the amounts for special education payments, general fund support is provided to				
36	fund the caseload standards for speech pathologists at 68 students for each year of the				
37	biennium.				
38	9. Remedial Education Payments				
39	a. An additional payment estimated at <del>\$125,697,172</del> \$126,074,273 the first year and				
40	<del>\$125,949,775</del> \$125,624,197 the second year from the general fund shall be disbursed by the				
41	Department of Education to support the Board of Education's Standards of Quality				
42	Prevention, Intervention, and Remediation program adopted in June 2003.				
43	b. The payment shall be calculated based on one hour of additional instruction per day for				
44	identified students, using the three year average percent of students eligible for the federal				
45	Free Lunch program as a proxy for students needing such services. Fall membership shall be				
46	multiplied by the three year average division-level Free Lunch eligibility percentage to				
47	determine the estimated number of students eligible for services. Pupil-teacher ratios shall be				
48	applied to the estimated number of eligible students to determine the number of instructional				
49	positions needed for each school division. The pupil-teacher ratio applied for each school				
50	division shall range from 10:1 for those divisions with the most severe combined three year				
51	average failure rates for English and math Standards of Learning test scores to 18:1 for those				
52	divisions with the lowest combined three year average failure rates for English and math				

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1	Standards of Learning test scores.				
2	c. Funding shall be matched by the local government based on the composite index of				
3	local ability-to-pay.				
4	d. To provide flexibility in the instruction of English Language Learners who have limited				
5	English proficiency and who are at risk of not meeting state accountability standards,				
6	school divisions may use state and local funds from the SOQ Prevention, Intervention, and				
7	Remediation account to employ additional English Language Learner teachers to provide				
8	instruction to identified limited English proficiency students. Using these funds in this				
9	manner is intended to supplement the instructional services provided through the staffing				
10	standard of 20 instructional positions per 1,000 limited English proficiency students.				
11	School divisions using the SOQ Prevention, Intervention, and Remediation funds in this				
12	manner shall only employ instructional personnel licensed by the Board of Education.				
13	e. An additional state payment estimated at <del>\$178,977,243</del> \$160,106,824 the first year and				
14	<del>\$209,141,908</del> \$11,938,336 the second year from the general fund and				
15	<del>\$158,134,094</del> \$176,325,114 the first year and <del>\$131,056,691</del> \$334,719,534 the second year				
16	from the Lottery Proceeds Fund shall be disbursed based on the estimated number of				
17	federal Free Lunch participants, in support of programs for students who are educationally				
18	at risk. The additional payment shall be based on the state share of:				
19	1) A minimum 1.0 percent Add-On, as a percent of the per pupil basic aid cost, for each				
20	child who qualifies for the federal Free Lunch Program; and				
21	2) An addition to the Add-On, based on the concentration of children qualifying for the				
22	federal Free Lunch Program. Based on its percentage of Free Lunch participants, each				
23	school division will receive a total between 1.0 and 36.0 percent in additional basic aid per				
24	Free Lunch participant. These funds shall be matched by the local government, based on				
25	the composite index of local ability-to-pay.				
26	3a) Local school divisions are required to spend the established At-Risk Add-On payment				
27	(state and local share) on approved programs for students who are educationally at risk.				
28	b) To receive these funds, each school division shall certify to the Department of				
29	Education that the state and local share of the At-Risk Add-On payment will be used to				
30	support approved programs for students who are educationally at risk. These programs				
31	may include: teacher recruitment programs and incentives, Dropout Prevention,				
32	community and school-based truancy officer programs, Advancement Via Individual				
33	Determination (AVID), Project Discovery, programs for students who speak English as a				
34	Second Language, hiring additional school guidance counselors, testing coordinators, and				
35	licensed behavior analysts, or programs related to increasing the success of disadvantaged				
36	students in completing a high school degree and providing opportunities to encourage				
37	further education and training.				
38	4) If the Board of Education has required a local school board to submit a corrective				
39	action plan pursuant to § 22.1-253.13:3, Code of Virginia, either for the school division				
40	pursuant to a division level review, or for any schools within its division that have been				
41	designated as not meeting the standards as approved by the Board of Education, the				
42	Superintendent of Public Instruction shall determine and report to the Board of Education				
43	whether each such local school board has met its obligation to develop and submit such				
44	corrective action plan(s) and is making adequate and timely progress in implementing the				
45	plan(s). Additionally, if an academic or other review process undertaken pursuant to §				
46	22.1-253.13:3, Code of Virginia, has identified actions for a local school board to				
47	implement, the Superintendent of Public Instruction shall determine and report to the				
48	Board of Education whether the local school board has implemented required actions. If				
49	the Superintendent certifies that a local school board has failed or refused to meet any of				
50	those obligations as referenced in a memorandum of understanding between the local				
51	school board and the Board of Education, the Board of Education shall withhold payment				
52	of some or all At-Risk Add-On funds otherwise allocated to the affected division pursuant				
53	to this allocation for the pending fiscal year. In determining the amount of At-Risk Add-				
54	On funds to be withheld, the Board of Education shall take into consideration the extent to				
55	which such funds have already been expended or contractually obligated. The local school				
56	board shall be given an opportunity to correct its failure and, if successful in a timely				

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1	manner, may have some or all of its At-Risk Add-On funds restored at the Board of				
2	Education's discretion.				
3	f. Regional Alternative Education Programs				
4	1) An additional state payment of <del>\$10,453,748</del> \$10,348,856 the first year and <del>\$11,097,555</del>				
5	<del>\$11,033,363</del> the second year from the Lottery Proceeds Fund shall be disbursed for Regional				
6	Alternative Education programs. Such programs shall be for the purpose of educating certain				
7	expelled students and, as appropriate, students who have received suspensions from public				
8	schools and students returned to the community from the Department of Juvenile Justice.				
9	2) Each regional program shall have a small student/staff ratio. Such staff shall include, but				
10	not be limited to education, mental health, health, and law enforcement professionals, who				
11	will collaborate to provide for the academic, psychological, and social needs of the students.				
12	Each program shall be designed to ensure that students make the transition back into the				
13	"mainstream" within their local school division.				
14	3) a) Regional alternative education programs are funded through this Item based on the				
15	state's share of the incremental per pupil cost for providing such programs. This incremental				
16	per pupil payment shall be adjusted for the composite index of local ability-to-pay of the				
17	school division that counts such students attending such program in its March 31 Average				
18	Daily Membership. It is the intent of the General Assembly that this incremental per pupil				
19	amount be in addition to the basic aid per pupil funding provided to the affected school				
20	division for such students. Therefore, local school divisions are encouraged to provide the				
21	appropriate portion of the basic aid per pupil funding to the regional programs for students				
22	attending these programs, adjusted for costs incurred by the school division for transportation,				
23	administration, and any portion of the school day or school year that the student does not				
24	attend such program.				
25	b) In the event a school division does not use all of the student slots it is allocated under this				
26	program, the unused slots may be reallocated or transferred to another school division.				
27	1. A school division must request from the Department of Education the availability and				
28	possible use of any unused student slots. If any unused slots are available and if the requesting				
29	school division chooses to utilize any of the unused slots, the requesting school division shall				
30	only receive the state's share of tuition for the unused slot that was allocated in this Item for				
31	the originally designated school division.				
32	2. However, no requesting school division shall receive more tuition funding from the state				
33	for any requested unused slot than what would have been the calculated amount for the				
34	requesting school division had the unused slot been allocated to the requesting school division				
35	in the original budget. Furthermore, the requesting school division shall pay for any remaining				
36	tuition payment necessary for using a previously unused slot.				
37	3. The Department of Education shall provide assistance for the state share of the incremental				
38	cost of Regional Alternative Education program operations based on the composite index of				
39	local ability-to-pay.				
40	4) Out of the appropriation included in paragraph C.37. of this item, <del>\$750,443</del> \$743,584 the				
41	first year and <del>\$1,648,377</del> \$1,813,413 the second year from the Lottery Proceeds Fund is				
42	provided for a compensation supplement payment equal to 5.0 percent of base pay on August				
43	1, 2022, an additional 5.0 percent of base pay on July 1, 2023, and an additional 2.0 percent				
44	of base pay on January 1, 2024, for Regional Alternative Education Program instructional and				
45	support positions, as referenced in paragraph C.37. of this item.				
46	5) In the second year, the Department of Education shall conduct a biennial application				
47	process to determine the slot allocation of the regional alternative education program for the				
48	subsequent biennium. Each school division, or the fiscal agent for each regional program,				
49	shall apply for the desired number of student slots from the statewide total number of slots				
50	funded in the state formula. The approved number of slots shall be set for both years of the				
51	biennium. The Department of Education shall <del>utilize the existing reallocation process as</del>				
52	<del>prescribed in this item to allocate</del> <i>prorate</i> initial application requests if the initial application				
53	demand for slots exceeds the number of slots available. In each fiscal year, the Department of				
54	Education shall reallocate any unused student slots as prescribed in this item.				

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1	g. Remedial Summer School				
2	1) This appropriation includes \$22,725,378	\$31,865,163		\$22,725,378	
3	\$29,169,304 the second year from the general fund for the state's share of Remedial				
4	Summer School Programs. These funds are available to school divisions for the operation				
5	of programs designed to remediate students who are required to attend such programs				
6	during a summer school session or during an intersession in the case of year-round				
7	schools. These funds may be used in conjunction with other sources of state funding for				
8	remediation or intervention. School divisions shall have maximum flexibility with respect				
9	to the use of these funds and the types of remediation programs offered; however, in				
10	exercising this flexibility, students attending these programs shall not be charged tuition				
11	and no high school credit may be awarded to students who participate in this program.				
12	2) For school divisions charging students tuition for summer high school credit courses,				
13	consideration shall be given to students from households with extenuating financial				
14	circumstances who are repeating a class in order to graduate.				
15	10. K-3 Primary Class Size Reduction Payments				
16	a. An additional payment estimated at \$141,268,750	\$137,265,346			
17	\$141,778,274	\$137,314,033			
18	the second year from the Lottery Proceeds Fund shall be				
19	disbursed by the Department of Education as an incentive for reducing class sizes in the				
	primary grades.				
20	b. The Department of Education shall calculate the payment based on the incremental cost				
21	of providing the lower class sizes based on the lower of the division average per pupil cost				
22	of all divisions or the actual division per pupil cost.				
23	c. Localities are required to provide a match for these funds based on the composite index				
24	of local ability-to-pay.				
25	d. By October 15 of each year school divisions must provide data to the Department of				
26	Education that each participating school has a September 30 pupil/teacher ratio in grades				
27	K through 3 that meet the following criteria:				
28	<b>Qualifying School Percentage of</b>	<b>Grades K-3</b>		<b>Maximum Individual</b>	
29	<b>Students Approved</b>				
30	<b>Eligible for Free Lunch, Three-Year</b>	<b>School Ratio</b>		<b>K-3 Class Size</b>	
31	<b>Average</b>				
32	30% but less than 45%	19 to 1		24	
33	45% but less than 55%	18 to 1		23	
34	55% but less than 65%	17 to 1		22	
35	65% but less than 70%	16 to 1		21	
36	70% but less than 75%	15 to 1		20	
37	75% or more	14 to 1		19	
38	e. School divisions may elect to have eligible schools participate at a higher ratio, or only				
39	in a portion of grades kindergarten through three, with a commensurate reduction of state				
40	and required local funds, if local conditions do not permit participation at the established				
41	ratio and/or maximum individual class size. In the event that a school division requires				
42	additional actions to ensure participation at the established ratio and/or maximum				
43	individual class size, such actions must be completed by December 1 of the impacted				
44	school year. Special education teachers and instructional aides shall not be counted				
45	towards meeting these required pupil/teacher ratios in grades kindergarten through three.				
46	f. The Superintendent of Public Instruction may grant waivers to school divisions for the				
47	class size requirement in eligible schools that have only one class in an affected grade				
48	level in the school.				
49	11. Literary Fund Subsidy Program Payments				
50	a. The Department of Education and the Virginia Public School Authority (VPSA) shall				
51	provide a program of funding for school construction and renovation through the Literary				

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1	Fund and through VPSA bond sales. Notwithstanding 8VAC-20-100, the program shall be				
2	used to provide funds, through Literary Fund loans and subsidies, and through VPSA bond				
3	sales, to fund a portion of the projects submitted by localities during the annual open				
4	enrollment process, or other critical projects that may receive priority as identified by the				
5	Board of Education. Interest rate subsidies will provide school divisions with the present				
6	value difference in debt service between a Literary Fund loan and a borrowing through the				
7	VPSA. To qualify for an interest rate subsidy, the school division's project must be eligible				
8	for a Literary Fund loan and shall be subject to the same restrictions. The VPSA shall work				
9	with the Department of Education in selecting those projects to be funded through the interest				
10	rate subsidy/bond financing program, so as to ensure the maximum leverage of Literary Fund				
11	moneys and a minimum impact on the VPSA Bond Pool.				
12	b. Notwithstanding §§ <a href="#">22.1-146.1</a> through <a href="#">22.1-153</a> , Code of Virginia, and 8VAC-20-100, the				
13	Board of Education shall: 1) issue loans from the designated and uncommitted balances of the				
14	Literary Fund to the school boards of local school divisions that apply for such loans,				
15	authorized by the governing body and the school board, for the purposes of a) erecting,				
16	altering, or enlarging school buildings in local school divisions, or b) refinancing or				
17	redemption of negotiable notes, bonds, and other evidences of indebtedness or obligations				
18	incurred by a locality on behalf of a school division which has an application for a Literary				
19	Fund loan for an approved school project pending before the Board of Education; 2) establish				
20	a maximum Literary Fund loan amount per project of \$25.0 million; 3) in consultation with				
21	the Department of the Treasury, establish loan interest rates that are benchmarked to a market				
22	index on an annual basis, not to exceed 2.0 percent for the tier of localities with a school				
23	division local composite index of ability-to-pay between 0.0 and 0.2999; 4) replace the				
24	existing First Priority and Second Priority waiting lists with an annual open enrollment				
25	process for loans, with priority based on the local composite index of ability-to-pay; and 5)				
26	offer a loan add-on not to exceed \$5.0 million per loan for projects that will result in school				
27	consolidation and the net reduction of at least one existing school. The Department of				
28	Education, in cooperation with the Department of the Treasury, shall provide an update on				
29	Literary Fund loan issuance to the Governor and the Chairs of the House Appropriations and				
30	Senate Finance and Appropriations Committees by October 1, 2023, and each year thereafter.				
31	This report shall include detail of: 1) loan applications received in the prior fiscal year by				
32	locality, project, and amount; 2) loans issued in the prior fiscal year by locality, project, and				
33	amount; 3) the schedule of loan interest rates and the basis for those rates; 4) loans issued for				
34	school consolidation projects and the projected impact of those school consolidations; and 5)				
35	the impact of loans issued to date on the Literary Fund cash balance, outstanding loan				
36	balance, and projected asset base.				
37	c. The Board of Education may offer up to \$200,000,000 the first year and up to \$200,000,000				
38	the second year from the Literary Fund in school construction loans, subject to the availability				
39	of funds. Amounts designated for school construction loans that are not obligated in the first				
40	year may be obligated in the second year. In addition, the Department of Education may offer				
41	Literary Fund loans from the uncommitted balances of the Literary Fund after meeting the				
42	obligations of the interest rate subsidy sales and the amounts set aside from the Literary Fund				
43	for Debt Service Payments for Education Technology and Security Equipment in this Item.				
44	d. 1) In the event that on any scheduled payment date of bonds of the Virginia Public School				
45	Authority (VPSA) authorized under the provisions of a bond resolution adopted subsequent to				
46	June 30, 1997, issued subsequent to June 30, 1997, and not benefiting from the provisions of				
47	either § <a href="#">22.1-168</a> (iii), (iv), and (v), Code of Virginia, or § <a href="#">22.1-168.1</a> , Code of Virginia, the				
48	sum of (i) the payments on general obligation school bonds of cities, counties, and towns				
49	(localities) paid to the VPSA and (ii) the proceeds derived from the application of the				
50	provisions of § <a href="#">15.2-2659</a> , Code of Virginia, to such bonds of localities, is less than the debt				
51	service due on such bonds of the VPSA on such date, there is hereby appropriated to the				
52	VPSA, first, from available moneys of the Literary Fund and, second, from the general fund a				
53	sum equal to such deficiency.				
54	2) The Commonwealth shall be subrogated to the VPSA to the extent of any such				
55	appropriation paid to the VPSA and shall be entitled to enforce the VPSA's remedies with				
56	respect to the defaulting locality and to full recovery of the amount of such deficiency,				
57	together with interest at the rate of the defaulting locality's bonds.				
58	e. The chairman of the Board of Commissioners of the VPSA shall, on or before November 1				

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1	of each year, make and deliver to the Governor and the Secretary of Finance a certificate				
2	setting forth his estimate of total debt service during each fiscal year of the biennium on				
3	bonds of the VPSA issued and projected to be issued during such biennium pursuant to the				
4	bond resolution referred to in paragraph a above. The Governor's budget submission each				
5	year shall include provisions for the payment of debt service pursuant to paragraph 1)				
6	above.				
7	12. Educational Technology Payments				
8	a. Any unobligated amounts transferred to the educational technology fund shall be				
9	disbursed on a pro rata basis to localities. The additional funds shall be used for				
10	technology needs identified in the division's technology plan approved by the Department				
11	of Education.				
12	b. The Department of Education shall authorize estimated amounts as indicated in Table 1				
13	from the Literary Fund to provide debt service payments for the education technology				
14	grant program conducted through the Virginia Public School Authority in the referenced				
15	years.				
16	Table 1				
17		<b>Grant Year</b>	<b>FY 2023</b>	<b>FY 2024</b>	
18		2018	\$12,474,000		
19		2019	\$11,973,250	\$11,975,250	
20		2020	\$11,391,000	\$11,389,000	
21		2021	\$11,353,100	\$11,351,600	
22		2022	<del>\$12,466,548</del>	<del>\$12,466,548</del>	
23			<i>\$12,066,071</i>	<i>\$12,064,250</i>	
24		2023		<del>\$12,466,548</del>	
25				<i>\$12,043,445</i>	
26	c. It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to				
27	pay debt service on the Virginia Public School Authority bonds or notes authorized for				
28	education technology grant programs. In developing the proposed 2024-2026, 2026-2028,				
29	and 2028-2030 biennial budgets for public education, the Department of Education shall				
30	include a recommendation to the Governor to authorize sufficient Literary Fund revenues				
31	to make debt service payments for these programs in fiscal years 2025, 2026, 2027, 2028,				
32	and 2029.				
33	d. 1) An education technology grant program shall be conducted through the Virginia				
34	Public School Authority, through the issuance of equipment notes in an amount estimated				
35	at <del>\$56,348,000</del> \$55,946,000 in fiscal year 2023 and <del>\$56,672,000</del> \$55,894,000 in fiscal year				
36	2024. Proceeds of the notes will be used to establish a computer-based instructional and				
37	testing system for the Standards of Learning (SOL) and to develop the capability for high				
38	speed Internet connectivity at high schools followed by middle schools followed by				
39	elementary schools. School divisions shall use these funds first to develop and maintain				
40	the capability to support the administration of online SOL testing for all students with the				
41	exception of students with a documented need for a paper SOL test.				
42	2) Grant funds from the issuance of <del>\$56,348,000</del> \$55,946,000 in fiscal year 2023 and				
43	<del>\$56,672,000</del> \$55,894,000 in fiscal year 2024 in equipment notes are based on a grant of				
44	\$26,000 per school and \$50,000 per school division. For purposes of this grant program,				
45	eligible schools shall include schools that are subject to state accreditation and reporting				
46	membership in grades K through 12 as of September 30, 2022, for the fiscal year 2023				
47	issuance, and September 30, 2023, for the fiscal year 2024 issuance, as well as regional				
48	vocational centers, special education centers, alternative education centers, regular school				
49	year Governor's Schools, CodeRVA Regional High School, and the School for the Deaf				
50	and the Blind. Schools that serve only pre-kindergarten students shall not be eligible for				
51	this grant.				
52	3. a.) Supplemental grants shall be allocated to eligible divisions to support schools that				
53	are not fully accredited in accordance with this paragraph. Schools that include a ninth				
54	grade that administer SOL tests in Spring 2022 and that are not fully accredited for the				

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1	second consecutive year, based on school accreditation ratings in effect for fiscal year 2022				
2	and fiscal year 2023 will qualify to participate in the Virginia e-Learning Backpack Initiative				
3	in fiscal year 2023 and receive: (1) a supplemental grant of \$400 per student reported in ninth				
4	grade fall membership in a qualifying school for the purchase of a laptop or tablet for that				
5	student and (2) a supplemental grant of \$2,400 per qualifying school to purchase two content				
6	creation packages for teachers. Schools eligible to receive this supplemental grant in fiscal				
7	year 2023 shall continue to receive the grant for the number of subsequent years equaling the				
8	number of grades 9 through 12 in the qualifying school up to a maximum of four years.				
9	Schools that administer SOL tests in Spring 2023 and that are not fully accredited for the				
10	second consecutive year based on school accreditation ratings in effect for fiscal year 2023				
11	and fiscal year 2024 will qualify to participate in the initiative in fiscal year 2024. Schools				
12	eligible for the supplemental grants in previous fiscal years shall continue to be eligible for				
13	the remaining years of their grant award. Schools eligible to receive this supplemental grant in				
14	fiscal year 2024 shall continue to receive the grant for the number of subsequent years				
15	equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four				
16	years. Grants awarded to qualifying schools that do not have grades 10, 11, or 12 may				
17	transition with the students to the primary receiving school for all years subsequent to grade 9.				
18	Schools are eligible to receive these grants for a period of up to four years and shall not be				
19	eligible to receive a separate award in the future once the original award period has				
20	concluded. Schools that are fully accredited or that are new schools with conditional				
21	accreditation in their first year shall not be eligible to receive this supplemental grant.				
22	b.) Supplemental grants allocated to school divisions for participation in the Virginia e-				
23	Learning Backpack Initiative prior to fiscal year 2017 shall be used in eligible schools for (1)				
24	the purchase of a laptop or tablet for a student reported in ninth grade fall membership, and				
25	(2) the purchase of two content creation packages for teachers per grant. The amounts for				
26	such grants shall remain unchanged.				
27	4) Required local match:				
28	a) Localities are required to provide a match for these funds equal to 20 percent of the grant				
29	amount, including the supplemental grants provided pursuant to paragraph g. 5). At least 25				
30	percent of the local match, including the match for supplemental grants, shall be used for				
31	teacher training in the use of instructional technology, with the remainder spent on other				
32	required uses. The Superintendent of Public Instruction is authorized to reduce the required				
33	local match for school divisions with a composite index of local ability-to-pay below 0.2000.				
34	The Virginia School for the Deaf and the Blind is exempt from the match requirement.				
35	b) School divisions that administer 100 percent of SOL tests online in all elementary, middle,				
36	and high schools may use up to 75 percent of their required local match to purchase targeted				
37	technology-based interventions. Such interventions may include the necessary technology and				
38	software to support online learning, technology-based content systems, content management				
39	systems, technology equipment systems, information and data management systems, and				
40	other appropriate technologies that support the individual needs of learners. School divisions				
41	that receive supplemental grants pursuant to paragraph g.5) above shall use the funds in				
42	qualifying schools to purchase laptops and tablets for ninth grade students reported in fall				
43	membership and content creation packages for teachers.				
44	5) The goal of the education technology grant program is to improve the instructional,				
45	remedial, and testing capabilities of the Standards of Learning for local school divisions and				
46	to increase the number of schools achieving full accreditation.				
47	6) Funds shall be used in the following manner:				
48	a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to				
49	computer ratio; (2) an Internet-ready local area network (LAN) capability; and (3) high speed				
50	access to the Internet. School connectivity (computers, LANs and network access) shall				
51	include sufficient download/upload capability to ensure that each student will have adequate				
52	access to Internet-based instructional, remedial and assessment programs.				
53	b) When each high school in a division meets the goals established in paragraph a) above, the				
54	remaining funds shall be used to develop similar capability in first the middle schools and				
55	then the elementary schools.				



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1	c) For purposes of establishing or enhancing a computer-based instructional program				
2	supporting the Standards of Learning pursuant to paragraph g. 1) above, these grant funds				
3	may be used to purchase handheld multifunctional computing devices that support a broad				
4	range of applications and that are controlled by operating systems providing full				
5	multimedia support and mobile Internet connectivity. School divisions that elect to use				
6	these grant funds to purchase such qualifying handheld devices must continue to meet the				
7	on-line testing requirements stated in paragraph g. 1) above.				
8	d) School divisions shall be eligible to receive supplemental grants pursuant to paragraph				
9	g.5) above. These supplemental grants shall be used in qualifying schools for the purchase				
10	of laptops and tablets for ninth grade students reported in fall membership and content				
11	creation packages for teachers. Participating school divisions will be required to select a				
12	core set of electronic textbooks, applications and online services for productivity, learning				
13	management, collaboration, practice, and assessment to be included on all devices. In				
14	addition, participating school divisions will assume recurring costs for electronic textbook				
15	purchases and maintenance.				
16	e) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school				
17	divisions became one school division, whether by consolidation of only the school				
18	divisions or by consolidation of the local governments, such resulting division shall be				
19	provided funding through this program on the basis of having the same number of school				
20	divisions as existed prior to September 30, 2000.				
21	7) Local school divisions shall maximize the use of available federal funds, including E-				
22	Rate Funds, and to the extent possible, use such funds to supplement the program and				
23	meet the goals of this program.				
24	e. The Department of Education shall maintain criteria to determine if high schools,				
25	middle schools, or elementary schools have the capacity to meet the goals of this				
26	initiative. The Department of Education shall be responsible for the project management				
27	of this program.				
28	f. 1) In the event that, on any scheduled payment date of bonds or notes of the Virginia				
29	Public School Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code				
30	of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v),				
31	Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary				
32	Fund are less than the amounts authorized for debt service due on such bonds or notes of				
33	the VPSA on such date, there is hereby appropriated to the VPSA from the general fund a				
34	sum equal to such deficiency.				
35	2) The Chairman of the Board of Commissioners of the VPSA shall, on or before				
36	November 1 of each year, make and deliver to the Governor and the Secretary of Finance				
37	a certificate setting forth his estimate of total debt service during each fiscal year of the				
38	biennium on bonds and notes of the VPSA issued and projected to be issued during such				
39	biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's				
40	budget submission each year shall include provisions for the payment of debt service				
41	pursuant to paragraph 1) above.				
42	g. Unobligated proceeds of the notes, including investment income derived from the				
43	proceeds of the notes may be used to pay interest on, or to decrease principal of the notes				
44	or to fund a portion of such other educational technology grants as authorized by the				
45	General Assembly.				
46	h. 1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies				
47	with State Government" and for the purposes of § 56-234 "Contracts for Service Rendered				
48	by a Telephone Company for the State Government" shall be deemed to include				
49	communications lines into public schools which are used for educational technology. The				
50	rate structure for such lines shall be negotiated by the Superintendent of Public Instruction				
51	and the Chief Information Officer of the Virginia Information Technologies Agency.				
52	Further, the Superintendent and Director are authorized to encourage the development of				
53	"by-pass" infrastructure in localities where it fails to obtain competitive prices or prices				
54	consistent with the best rates obtained in other parts of the state.				
55	2) The State Corporation Commission, in its consideration of the discount for services				

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1	provided to elementary schools, secondary schools, and libraries and the universal service				
2	funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is				
3	hereby encouraged to make the discounts for intrastate services provided to elementary				
4	schools, secondary schools, and libraries for educational purposes as large as is prudently				
5	possible and to fund such discounts through the universal fund as provided in § 254 of the				
6	Telecommunications Act of 1996. The commission shall proceed as expeditiously as possible				
7	in implementing these discounts and the funding mechanism for intrastate services, consistent				
8	with the rules of the Federal Communications Commission aimed at the preservation and				
9	advancement of universal service.				
10	13. Security Equipment Payments				
11	1) A security equipment grant program shall be conducted through the Virginia Public School				
12	Authority, through the issuance of equipment notes in an amount estimated at up to				
13	\$12,000,000 in fiscal year 2023 and \$12,000,000 in fiscal year 2024 in conjunction with the				
14	Virginia Public School Authority technology notes program authorized in C.12. of this Item.				
15	Proceeds of the notes will be used to help offset the related costs associated with the purchase				
16	of appropriate security equipment that will improve and help ensure the safety of students				
17	attending public schools in Virginia.				
18	2) The Department of Education shall authorize estimated amounts as indicated in Table 1				
19	from the Literary Fund to provide debt service payments for the security equipment grant				
20	programs conducted through the Virginia Public School Authority in the referenced years.				
21	Table 1				
22		<b>Grant Year</b>	<b>FY 2023</b>	<b>FY 2024</b>	
23		2018	\$1,275,750		
24		2019	\$1,262,250	\$1,260,000	
25		2020	\$2,430,750	\$2,425,750	
26		2021	\$2,431,400	\$2,430,400	
27		2022	\$2,667,345	\$2,667,345	
28			\$2,580,671	\$2,582,500	
29		2023		\$2,667,345	
30				\$2,582,678	
31	3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to				
32	pay debt service on the Virginia Public School Authority bonds or notes authorized for this				
33	program. In developing the proposed 2024-2026, 2026-2028, and 2028-2030 biennial budgets				
34	for public education, the Department of Education shall include a recommendation to the				
35	Governor to authorize sufficient Literary Fund revenues to make debt service payments for				
36	these programs in fiscal years 2025, 2026, 2027, 2028, and 2029.				
37	4) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public				
38	School Authority issued for the purpose described in § 22.1-166.2, Code of Virginia, and not				
39	benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or §				
40	22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the				
41	amounts authorized for debt service due on such bonds or notes on such date, there is hereby				
42	appropriated to the Virginia Public School Authority from the general fund a sum equal to				
43	such deficiency.				
44	5) The Chairman of the Board of Commissioners of the Virginia Public School Authority				
45	shall, on or before November 1 of each year, deliver to the Governor and the Secretary of				
46	Finance a certificate setting forth his estimate of total debt service during each fiscal year of				
47	the biennium on bonds and notes issued and projected to be issued during such biennium. The				
48	Governor's budget submission each year shall include provisions for the payment of debt				
49	service pursuant to paragraph 1) above.				
50	6) Grant award funds from the issuance of up to \$12,000,000 in fiscal year 2023 and				
51	\$12,000,000 in fiscal year 2024 in equipment notes shall be distributed to eligible school				
52	divisions. The grant awards will be based on a competitive grant basis of up to \$250,000 per				
53	school division. School divisions will be permitted to apply annually for grant funding. For				
54	purposes of this program, eligible schools shall include schools that are subject to state				

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1	accreditation and reporting membership in grades K through 12 as of September 30, 2022,				
2	for the fiscal year 2023 issuance, and September 30, 2023, for the fiscal year 2024				
3	issuance, as well as regional vocational centers, special education centers, alternative				
4	education centers, regular school year Governor's Schools, and the Virginia School for the				
5	Deaf and the Blind.				
6	7) School divisions would submit their application to Department of Education by August				
7	1 of each year based on the criteria developed by the Department of Education in				
8	collaboration with the Department of Criminal Justice Services who will provide				
9	requested technical support. Furthermore, the Department of Education will have the				
10	authority to make such grant awards to such school divisions.				
11	8) It is also the intent of the General Assembly that, beginning with fiscal year 2020, the				
12	total amount of the grant awards shall not exceed \$60,000,000 over any ongoing revolving				
13	five year period.				
14	9) Required local match:				
15	a) Localities are required to provide a match for these funds equal to 25 percent of the				
16	grant amount. The Superintendent of Public Instruction is authorized to reduce the				
17	required local match for school divisions with a composite index of local ability-to-pay				
18	below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match				
19	requirement.				
20	b) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school				
21	divisions became one school division, whether by consolidation of only the school				
22	divisions or by consolidation of the local governments, such resulting division shall be				
23	provided funding through this program on the basis of having the same number of school				
24	divisions as existed prior to September 30, 2000.				
25	c) Local school divisions shall maximize the use of available federal funds, including E-				
26	Rate Funds, and to the extent possible, use such funds to supplement the program and				
27	meet the goals of this program.				
28	14. Virginia Preschool Initiative Payments				
29	a.1) It is the intent of the General Assembly that a payment estimated at <del>\$115,987,950</del>				
30	<del>\$96,249,422</del> the first year and <del>\$116,283,670</del> <del>\$104,725,591</del> the second year from the				
31	general fund shall be disbursed by the Department of Education to schools and				
32	community-based organizations to provide quality preschool programs for at-risk four-				
33	year-olds who are residents of Virginia and unserved by Head Start program funding and				
34	for at-risk five-year-olds who are not eligible to attend kindergarten, or who did not have				
35	access to a sufficient preschool experience and whose families request preschool as the				
36	most appropriate placement. Final Virginia Preschool Initiative placement decisions for				
37	eligible children shall be based on family and program leader input.				
38	2) These state funds and required local matching funds shall be used to provide programs				
39	for at-risk four-year-old children, which include quality preschool education, health				
40	services, social services, parental involvement and transportation. It shall be the policy of				
41	the Commonwealth that state funds and required local matching funds for the Virginia				
42	Preschool Initiative not be used for capital outlay, not be used to supplant any Head Start				
43	federal funds provided for local early education programs, and not be used until the local				
44	Head Start grantee certifies that all local Head Start slots are filled. Programs must provide				
45	full-day or half-day and, at least, school-year services.				
46	3) The Department of Education shall establish academic standards that are in accordance				
47	with appropriate preparation for students to be ready to successfully enter kindergarten.				
48	These standards shall be established in such a manner as to be measurable for student				
49	achievement and success. Students shall be required to be evaluated in the fall and in the				
50	spring by each participating school division and the school divisions must certify that the				
51	Virginia Preschool Initiative program follows the established standards in order to receive				
52	the funding for quality preschool education and criteria for the service components. Such				
53	standards shall align with the Virginia Standards of Learning for Kindergarten.				
54	4) a) Grants shall be distributed based on an allocation formula providing the state share of				

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1	a \$8,359 per pupil grant in the first year and a \$8,359 per pupil grant in the second year for				
2	100 percent of the unserved at-risk four-year-olds in each locality for a full-day program.				
3	Grants to half-day programs shall be funded based on the state share of \$4,180 in the first year				
4	and \$4,180 in the second year per unserved at-risk four-year-old in each locality.				
5	For Planning District Eight localities, grants shall be distributed based on an allocation				
6	formula providing the state share of a \$8,989 per pupil grant in the first year and a \$8,989 per				
7	pupil grant in the second year for 100 percent of the unserved at-risk four-year-olds in each				
8	locality for a full-day program; grants to half-day programs for these localities shall be funded				
9	based on the state share of \$4,495 in the first year and \$4,495 in the second year per unserved				
10	at-risk four-year-old in each locality.				
11	For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, and Culpeper				
12	and the Cities of Fredericksburg and Winchester, grants shall be distributed based on an				
13	allocation formula providing the state share of a \$8,516 per pupil grant in the first year and a				
14	\$8,516 per pupil grant in the second year for 100 percent of the unserved at-risk four-year-				
15	olds in each locality for a full-day program; grants to half-day programs for these localities				
16	shall be funded based on the state share of \$4,258 in the first year and \$4,258 in the second				
17	year per unserved at-risk four-year-old in each locality.				
18	The number of unserved at-risk four-year-olds in each locality shall be based on the projected				
19	number of kindergarten students, updated once each biennium for the Governor's introduced				
20	biennial budget. The Department of Education shall biennially rebenchmark the Virginia				
21	Preschool Initiative per pupil amounts using a formula similar to the current formula				
22	supporting public K-12 education in Virginia.				
23	For slots filled as of September 30 each year, grants shall be based on the state share of 100				
24	percent of the per pupil amount for a full-day or half-day program. For slots filled between				
25	October 1 and December 31 each year, grants shall be based on the state share of the per pupil				
26	amount for a full-day or half-day program prorated for the portion of the school year each				
27	child is served. Following the Department of Education's fall student record collection each				
28	year, the Department shall project the number of additional slots that may be filled between				
29	October 1 and December 31 each year. The Department of Education is authorized to prorate				
30	state funding for slots filled between October 1 and December 31 each year if demand				
31	exceeds available appropriation.				
32	b) Out of this appropriation, <del>\$12,729,291</del> \$8,609,919 the first year and				
33	<del>\$20,029,791</del> \$14,299,653 the second year from the general fund is provided to serve at-risk				
34	three-year-olds who are residents of Virginia and unserved by Head Start funding using				
35	criteria determined by the Department of Education and subject to available appropriation.				
36	Localities may apply to participate by May 15 each year and shall be selected on a				
37	competitive basis. Localities shall be required to: (i) demonstrate broad stakeholder support,				
38	(ii) track outcomes for participating children, (iii) demonstrate how they will maximize				
39	federal and state funds to preserve existing birth to five slots, including certifying that all local				
40	Head Start slots are filled, (iv) support inclusive practices of children with identified special				
41	needs, and (v) collaborate among the school division, local department of social services,				
42	programs accepting child care subsidy payments, and providers for Head Start, private child				
43	care, and early childhood special education and early intervention programs. Localities that				
44	meet the following characteristics shall be prioritized for participation: (i) communities with				
45	limited child care options; (ii) programs serving children in private, mixed-delivery settings;				
46	or (iii) communities that demonstrate full support of public and private providers. Grants shall				
47	be distributed based on an allocation formula providing the state share of the per pupil				
48	amounts in paragraph C.14.a.4)a).				
49	c) Full-day programs shall operate for a minimum of five and one-half instructional hours,				
50	excluding breaks for meals, and half-day programs shall operate for a minimum of three hours				
51	of classroom instructional time per day, excluding breaks for lunch. Virginia Preschool				
52	Initiative programs may include unstructured recreational time that is intended to develop				
53	teamwork, social skills, and overall physical fitness in any calculation of total instructional				
54	time, provided that such unstructured recreational time does not exceed 15 percent of total				
55	instructional time or teaching hours. No additional state funding is provided for programs				
56	operating greater than three hours per day but less than five and one-half hours per day. In				
57	determining the state and local shares of funding, the composite index of local ability-to-pay				

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1	is capped at 0.5000.				
2	d) For new programs in the first year of implementation only, programs operating less				
3	than a full school year shall receive state funds on a fractional basis determined by the				
4	pro-rata portion of a school year program provided. In determining the prorated state				
5	funds to be received, a school year shall be 180 days or 990 teaching hours.				
6	e) To ensure children with special needs have equitable opportunity to enter kindergarten				
7	ready, all Virginia Preschool Initiative programs are expected to be inclusive of children				
8	with disabilities. Specifically, programs shall meet or exceed a target inclusion rate, such				
9	that 10 percent of all children participating in the Virginia Preschool Initiative are children				
10	with disabilities, defined as those with an Individualized Education Plan, and are served in				
11	inclusive classrooms that include children who do not have an Individualized Education				
12	Plan. A program that is unable to meet this target shall provide reasons a 10 percent				
13	inclusion rate was not achieved in the given school year in its annual comprehensive				
14	report.				
15	b.1) Any locality that desires to participate in this grant program must submit a proposal				
16	through its chief administrator (county administrator or city manager) by May 15 of each				
17	year. The chief administrator, in conjunction with the school superintendent, shall identify				
18	a lead agency for this program within the locality. The lead agency shall be responsible for				
19	developing a local plan for the delivery of quality preschool services to at-risk children,				
20	which demonstrates the coordination of resources and the combination of funding streams				
21	in an effort to serve the greatest number of at-risk four-year-old children and, if				
22	applicable, to serve at-risk three-year-old children.				
23	2) The proposal must demonstrate coordination with all parties necessary for the				
24	successful delivery of comprehensive services, including the schools, child care providers,				
25	local social services agency, Head Start, local health department, and other groups				
26	identified by the lead agency. The proposal must identify which entities were consulted				
27	and how the locality will ensure that federal funds are preserved and maximized including				
28	demonstrating compliance with Title I of the federal Elementary and Secondary Education				
29	Act to ensure that a Local Educational Agency receiving Title I funding coordinates with				
30	Head Start programs and other early learning programs receiving federal funds by				
31	developing Memorandums of Understanding with such agencies to coordinate services.				
32	The proposal must also demonstrate a plan for supporting inclusive practices for children				
33	with identified special needs.				
34	3) A local match, based on the composite index of local ability-to-pay, shall be required.				
35	For purposes of meeting the local match, localities may use local expenditures for existing				
36	qualifying programs, however, at least fifty percent of the local match will be cash and no				
37	more than fifty percent will be in-kind. In-kind contributions are defined as cash outlays				
38	that are made by the locality that benefit the program but are not directly charged to the				
39	program. The value of fixed assets cannot be considered as an in-kind contribution.				
40	Philanthropic or other private funds may be contributed to the locality to be appropriated				
41	in their local budget and then utilized as local match. Localities shall also continue to				
42	pursue and coordinate other funding sources, including child care subsidies. Funds				
43	received through this program must be used to supplement, not supplant, any funds				
44	currently provided for programs within the locality. However, in the event a locality is				
45	unable to continue the previous level of support to programs for at-risk four-year-olds				
46	from Title I of the federal Elementary and Secondary Education Act (ESEA), the state and				
47	local funds provided in this grants program may be used to continue services to these Title				
48	I students. Such inability may occur due to adjustments to the allocation formula in the				
49	reauthorization of ESEA as the Every Student Succeeds Act of 2015, or due to a				
50	percentage reduction in a locality's Title I allocation in a particular year. Any locality so				
51	affected shall provide written evidence to the Superintendent of Public Instruction and				
52	request his approval to continue the services to Title I students.				
53	c. Local plans must provide clear methods of service coordination for the purpose of				
54	reducing the per child cost for the service, increasing the number of at-risk children served				
55	and/or extending services for the entire year. Examples of these include:				
56	1) "Wraparound Services" - methods for combining funds such as child care subsidy				
57	dollars administered by local social service agencies with dollars for quality preschool				

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1	education programs.				
2	2) "Wrap-out Services" - methods for using grant funds to purchase quality preschool services				
3	to at-risk four-year-old children through an existing child care setting by purchasing				
4	comprehensive services within a setting which currently provides quality preschool education.				
5	3) "Expansion of Service" - methods for using grant funds to purchase slots within existing				
6	programs, such as Head Start, which provides comprehensive services to at-risk three- and				
7	four-year-old children.				
8	d. Local plans must indicate the number of at-risk four-year-old children to be served, and the				
9	eligibility criteria for participation in this program shall be consistent with the economic and				
10	educational risk factors stated in the current program guidelines that are specific to: (i) family				
11	income at or below 200 percent of federal poverty guidelines, (ii) homelessness, (iii) student's				
12	parents or guardians are school dropouts, or (iv) children with disabilities or delays who are				
13	eligible for special education services under the Individuals with Disabilities Education Act,				
14	regardless of household income. Up to 15 percent of a division's slots may be filled based on				
15	locally established eligibility criteria so as to meet the unique needs of at-risk children in the				
16	community. If applicable, local plans must also indicate the number of at-risk three-year-old				
17	children to be served using the same eligibility criteria listed above. Localities that can				
18	demonstrate that more than 15 percent of slots are needed to meet the needs of at-risk children				
19	in their community may apply for a waiver from the Superintendent of Public Instruction to				
20	use a larger percentage of their slots. Localities must demonstrate that increasing eligibility				
21	will enable the maximization of federal funds and will not have a negative impact on access				
22	for other individuals currently being served.				
23	e.1) The Department of Education shall provide technical assistance for the administration of				
24	this grant program to provide assistance to localities in developing a comprehensive,				
25	coordinated, quality preschool program that prepares all participants for kindergarten.				
26	2) The Department shall provide interested localities with information on models for service				
27	delivery, methods of coordinating funding streams, such as funds to match federal IV-A child				
28	care dollars, to maximize funding without supplanting existing sources of funding for the				
29	provision of services to at-risk three- and four-year-old children. A priority for technical				
30	assistance in the design of programs shall be given to localities where the majority of the at-				
31	risk three- and four-year-old population is currently unserved.				
32	f. Out of this appropriation, <del>\$3,587,390</del> \$2,946,003 the first year and <del>\$3,587,390</del> \$2,497,884				
33	the second year from the general fund is provided to support Virginia Preschool Initiative				
34	slots to serve children on wait lists. In each year, unused grants distributed as provided in				
35	paragraph C.14.a.4) of this Item shall be redistributed based on guidelines established by the				
36	Department of Education subject to the appropriation available for this purpose. Such				
37	guidelines shall provide the criteria used to redistribute grants and provide for the notification				
38	of grants redistribution to programs no later than July 1 of each year. The Department shall				
39	conduct this process annually, and the redistribution shall not affect the allocation formula for				
40	the subsequent year.				
41	g.1) Out of this appropriation, <del>\$4,886,000</del> \$2,678,500 the first year and <del>\$8,334,384</del> \$2,760,000				
42	the second year from the general fund is provided to support an add-on grant per child for				
43	approximately 2,000 children to incentivize mixed-delivery of services through private				
44	providers. These add-on grants are intended to provide funds to minimize the difference				
45	between the amount of the per-pupil grant allocation and the per-pupil cost to serve a child in				
46	a community-based or private provider setting. Recipients of the add-on grants will be				
47	encouraged to support classrooms that support inclusive practices of children with special				
48	needs. Localities shall indicate in their plans submitted pursuant to C.14.b.1) of this Item how				
49	many of their Virginia Preschool Initiative slots will be provided in community-based or				
50	private provider settings to receive the add-on grant. <i>Community-based providers that are</i>				
51	<i>recipients of Virginia Preschool Initiative grants shall be exempted from all regulatory and</i>				
52	<i>statutory provisions related to teacher licensure requirements and qualifications when paid</i>				
53	<i>by public funds within the confines of the Virginia Preschool Initiative community-add-on</i>				
54	<i>partnerships and provided that the provider meets the expectations of the statewide</i>				
55	<i>measurement and improvement system.</i>				
56	2) In the first year, the amount of these add-on grants for community-based or private				

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1	providers shall vary by region and provide a grant of: (i) \$3,500 per child for divisions in				
2	Planning District Eight, (ii) \$2,500 per child for divisions in Planning District 15,				
3	Planning District 23, and for the counties of Stafford, Fauquier, Spotsylvania, Clarke,				
4	Warren, Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, and				
5	(iii) \$1,500 per child in any other division. In the second year, these add-on grants shall be				
6	informed by the Department of Education's methodology to estimate the actual cost of				
7	providing high-quality early childhood education services in community-based settings. In				
8	the Department's report on this methodology to the Governor and Chairs of the House				
9	Appropriations and Senate Finance and Appropriations Committees, required by Item				
10	129.O, the Department shall include recommendations for the amount of these add-on				
11	grants in the second year. This reporting requirement is not intended as a mandate to				
12	increase the individual amounts of these add-on grants or to increase the state				
13	appropriation supporting these add-on grants. The Department of Education is authorized				
14	to prorate payments for these add-on grants so as not to exceed the available				
15	appropriation.				
16	3) The Department of Education shall develop a plan to determine the magnitude of the				
17	gap between regional prevailing child care market rates and the Virginia Preschool				
18	Initiative per pupil amount. The Department shall establish a schedule designating the				
19	amount of the add-on grants for each school division for fiscal year 2023. The amount of				
20	the add-on grant plus the Virginia Preschool Initiative per pupil amount shall not exceed				
21	prevailing child care market rates in a particular region.				
22	h. Out of this appropriation, <del>\$7,711,560</del> \$7,658,585 the first year and <del>\$7,711,560</del>				
23	\$7,770,742 the second year from the general fund is provided to support increased				
24	Virginia Preschool Initiative teacher to student ratios and class sizes, as follows:				
25	1) Any classroom that exceeds benchmarks set by the Board of Education shall be staffed				
26	as follows: (i) one teacher shall be provided for any class of ten students or less; (ii) if the				
27	enrollment in any class exceeds ten students but does not exceed 20, a full-time teacher's				
28	aide shall be assigned to the class; and (iii) the maximum class size shall be 20 students.				
29	2) All other classrooms shall be staffed as follows: (i) one teacher shall be employed for				
30	any class of nine students or less; (ii) if the enrollment in any class exceeds nine students				
31	but does not exceed 18, a full-time teacher's aide shall be assigned to the class; and (iii)				
32	the maximum class size shall be 18 students.				
33	i. Out of this appropriation, \$306,100 the first year and \$306,100 the second year from the				
34	general fund is allocated for the Department of Education to provide grants of no more				
35	than \$30,000 each for local school divisions that have applied for such funds for the sole				
36	purpose of providing financial incentives to provisionally licensed teachers teaching				
37	students enrolled in the Virginia Preschool Initiative or other publicly-funded preschool				
38	programs operated by the school division and who are actively engaged in coursework and				
39	professional development, toward achieving the required degree and license that satisfy				
40	the licensure requirements reflected in § 22.1-299, Code of Virginia. School divisions				
41	must submit applications to the Department of Education by December 1 of each year.				
42	Priority for awarding grants shall be given to hard-to-staff schools and schools with the				
43	highest number of provisionally licensed teachers teaching students enrolled in the				
44	Virginia Preschool Initiative or other publicly-funded preschool programs operated by the				
45	school division. The Department of Education shall develop the application process to be				
46	provided to school divisions that have provisionally licensed preschool teachers employed				
47	and are teaching students enrolled in the Virginia Preschool Initiative or other publicly-				
48	funded preschool programs operated by the school division.				
49	j. 1.) The Department of Education shall collect information from local Virginia Preschool				
50	Initiative programs and from pilot providers participating in the Virginia Early Childhood				
51	Foundation's pilot Mixed-Delivery Preschool Initiative established in Item 136 as needed				
52	to compile a comprehensive report on the usage of state funds detailing, but not limited to				
53	the number of calculated slots and funding allocated to each local program or pilot				
54	provider, and the number of such slots that have been filled.				
55	2.) Such comprehensive report shall be aggregated in a manner to identify: (i) funding and				
56	the number of slots used to serve a student in a public school and non-public school				
57	setting, (ii) the number of three-year olds served, (iii) waitlist slots requested, offered, and				

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1	provided, (iv) the number of students served whose families are at or below 130 percent				
2	poverty, above 130 percent but at or below 200 percent of poverty, above 200 percent but at				
3	or below 350 percent of poverty, and above 350 percent of poverty.				
4	3.) Such comprehensive report shall describe the Virginia Preschool Initiative programs'				
5	progress towards the target inclusion rate, such that 10 percent of all children enrolled in each				
6	program are children with disabilities, defined as those with an Individualized Education Plan.				
7	Virginia Preschool Initiative programs shall report the share of children with Individualized				
8	Education Plans in inclusive classrooms annually starting with the 2020-2021 school year. If				
9	the program's current inclusion rate falls below 10 percent, the program shall provide reasons				
10	a 10 percent inclusion rate was not achieved in the given school year and what actions the				
11	program could implement to increase its rate of inclusion in the next year.				
12	4.) The Department shall submit such comprehensive report to the Chairs of the House				
13	Appropriations and Senate Finance and Appropriations Committees no later than December				
14	31 each year.				
15	5.) The Department shall develop a plan for comprehensive public reporting on early				
16	childhood expenditures, outcomes, and program quality to replace this reporting requirement.				
17	Such plan and subsequent reports shall consider the components included in this reporting				
18	requirement, and include all publicly-funded providers as defined in Chapter 860 and Chapter				
19	861, 2020 Acts of Assembly. The plan shall identify any fiscal, legislative, or regulatory				
20	barriers to implementing such public reporting, and shall consider integration with the				
21	Department's School Quality Profiles. The Department of Education shall submit an update				
22	on implementation of the plan to the Chairs of the House Appropriations and Senate Finance				
23	and Appropriations Committees by December 1 each year. Once fully implemented, the				
24	Department of Education shall update and submit the report by December 1 of each year.				
25	k. Out of this appropriation, <del>\$5,453,795</del> \$35,283 the first year <del>and \$5,453,795 the second year</del>				
26	from the general fund is provided as flexible funding available to supplement any of the other				
27	initiatives provided in section C.14 of this item. Additionally, within the fiscal year, any funds				
28	appropriated for Virginia Preschool Initiative Payments that are not awarded may be used as				
29	flexible funding to supplement any of the other initiatives provided in paragraph C.14 of this				
30	Item. The Department of Education shall prioritize serving at-risk four-year-old children				
31	when executing the flexibility provisions in this paragraph.				
32	15. Early Reading Intervention Payments				
33	a. An additional payment of <del>\$51,193,084</del> \$43,515,246 the first year and				
34	<del>\$51,352,970</del> \$36,898,919 the second year from the Lottery Proceeds Fund shall be disbursed				
35	by the Department of Education to local school divisions for the purposes of providing early				
36	reading intervention services to students in grades kindergarten through 3 who demonstrate				
37	deficiencies based on their individual performance on diagnostic tests which have been				
38	approved by the Department of Education. The Department of Education shall review the				
39	tests of any local school board that requests authority to use a test other than the state-				
40	provided test to ensure that such local test uses criteria for the early diagnosis of reading				
41	deficiencies that are similar to those criteria used in the state-provided test. The Department of				
42	Education shall make the state-provided diagnostic test used in this program available to local				
43	school divisions. School divisions shall report the results of the diagnostic tests to the				
44	Department of Education on an annual basis at a time to be determined by the Superintendent				
45	of Public Instruction.				
46	b. These payments shall be based on the state's share of the cost of providing two and one-half				
47	hours of additional instruction each week for an estimated number of students in each school				
48	division at a student to teacher ratio of five to one. The estimated number of students in each				
49	school division in each year shall be determined by multiplying the projected number of				
50	students reported in each school division's fall membership in grades kindergarten, 1, 2, and 3				
51	by the percent of students who are determined to need services based on diagnostic tests				
52	administered in the most recent year that data is available in that school division.				
53	c. These payments are available to any school division that certifies to the Department of				
54	Education that an intervention program will be offered to such students and that each student				
55	who receives an intervention will be assessed again at the end of that school year. At the				
56	beginning of the school year, local school divisions shall partner with the parents of those				



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1	third grade students in the division who demonstrate reading deficiencies, discussing with				
2	them a developed plan for remediation and retesting. Such intervention programs, at the				
3	discretion of the local school division, may include, but not be limited to, the use of:				
4	special reading teachers; trained aides; full-time early literacy tutors; volunteer tutors				
5	under the supervision of a certified teacher; computer-based reading tutorial programs;				
6	aides to instruct in-class groups while the teacher provides direct instruction to the				
7	students who need extra assistance; or extended instructional time in the school day or				
8	year for these students. Localities receiving these payments are required to match these				
9	funds based on the composite index of local ability-to-pay.				
10	d. In the event that a school division does not use the diagnostic test provided by the				
11	Department of Education in the year that serves as the basis for updating the funding				
12	formula for this program but has used it in past years, the Department of Education shall				
13	use the most recent data available for the division for the state-provided diagnostic test.				
14	e. The results of all reading diagnostic tests and reading remediation shall be discussed				
15	with the student and the student's parent prior to the student being promoted to grade four.				
16	f. Funds appropriated for Standards of Quality Prevention, Intervention, and Remediation,				
17	Remedial Summer School, or At-Risk Add-On may also be used to meet the requirements				
18	of this program.				
19	16. Standards of Learning Algebra Readiness Payments				
20	a. An additional payment of <del>\$15,775,313</del> \$15,370,526 the first year and <del>\$15,781,896</del>				
21	\$15,070,022 the second year from the Lottery Proceeds Fund shall be disbursed by the				
22	Department of Education to local school divisions for the purposes of providing math				
23	intervention services to students in grades 6, 7, 8 and 9 who are at-risk of failing the				
24	Algebra I end-of-course test, as demonstrated by their individual performance on				
25	diagnostic tests which have been approved by the Department of Education. These				
26	amounts reflect \$200,000 the first year and \$200,000 the second year apportioned to each				
27	school division to account for the cost of the diagnostic test. The Department of Education				
28	shall review the tests to ensure that such local test uses state-provided criteria for				
29	diagnosis of math deficiencies which are similar to those criteria used in the state-provided				
30	test. The Department of Education shall make the state-provided diagnostic test used in				
31	this program available to local school divisions. School divisions shall report the results of				
32	the diagnostic tests to the Department of Education on an annual basis at a time to be				
33	determined by the Superintendent of Public Instruction.				
34	b. These payments shall be based on the state's share of the cost of providing two and one-				
35	half hours of additional instruction each week for an estimated number of students in each				
36	school division at a student to teacher ratio of ten to one. The estimate number of students				
37	in each school division shall be determined by multiplying the projected number of				
38	students reported in each school division's fall membership by the percent of students that				
39	qualify for the federal Free Lunch Program.				
40	c. These payments are available to any school division that certifies to the Department of				
41	Education that an intervention program will be offered to such students and that each				
42	student who receives an intervention will be assessed again at the end of that school year.				
43	Localities receiving these payments are required to match these funds based on the				
44	composite index of local ability-to-pay.				
45	17. English as a Second Language Payments				
46	A payment of <del>\$98,474,887</del> \$100,535,325 the first year and <del>\$106,864,471</del> \$107,489,148				
47	the second year from the general fund shall be disbursed by the Department of Education				
48	to local school divisions to support the state share of 20 professional instructional				
49	positions per 1,000 students for whom English is a second language. Local school				
50	divisions shall provide a local match based on the composite index of local ability-to-pay.				
51	18. Special Education Instruction Payments				
52	a. The Department of Education shall establish rates for all elements of Special Education				
53	Instruction Payments.				

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1	b. Out of the appropriations in this Item, the Department of Education shall make available,				
2	subject to implementation by the Superintendent of Public Instruction, an amount estimated at				
3	<del>\$85,831,709</del> \$80,464,820 the first year and <del>\$90,831,709</del> \$90,054,178 the second year from the				
4	Lottery Proceeds Fund for the purpose of the state's share of the tuition rates for approved				
5	public Special Education Regional Tuition school programs. Notwithstanding any contrary				
6	provision of law, the state's share of the tuition rates shall be based on the composite index of				
7	local ability-to-pay.				
8	c. Out of the amounts for Financial Assistance for Categorical Programs, \$38,917,404 the first				
9	year and \$39,161,334 the second year from the general fund is appropriated to permit the				
10	Department of Education to enter into agreements with selected local school boards for the				
11	provision of educational services to children residing in certain hospitals, clinics, and				
12	detention homes by employees of the local school boards. The portion of these funds provided				
13	for educational services to children residing in local or regional detention homes shall only be				
14	determined on the basis of children detained in such facilities through a court order issued by				
15	a court of the Commonwealth. The selection and employment of instructional and				
16	administrative personnel under such agreements will be the responsibility of the local school				
17	board in accordance with procedures as prescribed by the local school board. State payments				
18	for the first year to the local school boards operating these programs will be based on certified				
19	expenditures from the fourth quarter of FY 2022 and the first three quarters of FY 2023. State				
20	payments for the second year to the local school boards operating these programs will be				
21	based on certified expenditures from the fourth quarter of FY 2023 and the first three quarters				
22	of FY 2024.				
23	19. Vocational Education Instruction Payments				
24	a. It is the intention of the General Assembly that the Department of Education explore				
25	initiatives that will encourage greater cooperation between jurisdictions and the Virginia				
26	Community College System in meeting the needs of public school systems.				
27	b. This appropriation includes \$1,800,000 the first year and \$1,800,000 the second year from				
28	the Lottery Proceeds Fund for secondary vocational-technical equipment. A base allocation of				
29	\$2,000 each year shall be available for all divisions, with the remainder of the funding				
30	distributed on the basis of student enrollment in secondary vocational-technical courses. State				
31	funds received for secondary vocational-technical equipment must be used to supplement, not				
32	supplant, any funds currently provided for secondary vocational-technical equipment within				
33	the locality. Local school divisions are not required to provide a local match in order to				
34	receive these state funds.				
35	c.1) This appropriation includes an additional \$2,000,000 the first year and \$2,000,000 the				
36	second year from the Lottery Proceeds Fund to update vocational-technical equipment to				
37	industry standards providing students with classroom experience that translates to the				
38	workforce.				
39	2) Of this amount, \$1,400,000 the first year and \$1,400,000 the second year is provided for				
40	vocational-technical equipment in high-demand, high-skill, and fast-growth industry sectors				
41	as identified by the Virginia Board of Workforce Development and based on data from the				
42	Bureau of Labor Statistics and the Virginia Employment Commission.				
43	3) Of this amount, \$600,000 the first year and \$600,000 the second year will be awarded				
44	based on competitive innovative program grants for high-demand and fast-growth industry				
45	sectors with priority given to state-identified challenged schools, the Governor's Science				
46	Technology, Engineering, and Mathematics (STEM) academies, and the Governor's Health				
47	Science Academies.				
48	d. This appropriation includes \$1,831,464 the first year and \$1,831,464 the second year from				
49	the Lottery Proceeds Fund to support the Path to Industry Certification program. Of this				
50	amount, \$500,000 the first year and \$500,000 the second year shall support credentialing				
51	testing materials for students and professional development for instructors in science,				
52	technology, engineering, and mathematics-health sciences (STEM-H) career and technical				
53	education programs.				
54	20. Adult Education Payments				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	State funds shall be used to reimburse general adult education programs on a fixed cost				
2	per pupil or cost per class basis. No state funds shall be used to support vocational				
3	noncredit courses.				
4	21. General Education Payments				
5	a. This appropriation includes \$2,410,988 the first year and \$2,410,988 the second year				
6	from the Lottery Proceeds Fund to support Race to GED. Out of this appropriation,				
7	\$465,375 the first year and \$465,375 the second year shall be used for PluggedIn VA.				
8	b. This appropriation includes \$1,387,240 the first year and \$1,387,240 the second year				
9	from the Lottery Proceeds Fund to support Project Graduation and any associated				
10	administrative and contractual service expenditures related to this initiative.				
11	22. Individual Student Alternative Education Program (ISAEP) Payments				
12	Out of this appropriation, \$2,247,581 the first year and \$2,247,581 in the second year from				
13	the Lottery Proceeds Fund shall be provided for the secondary schools' Individual Student				
14	Alternative Education Program (ISAEP), pursuant to Chapter 488 and Chapter 552 of the				
15	1999 Session of the General Assembly.				
16	23. Foster Children Education Payments				
17	a. An additional state payment is provided from the Lottery Proceeds Fund for the prior				
18	year's local operations costs, as determined by the Department of Education, for each pupil				
19	not a resident of the school division providing his education (a) who has been placed in				
20	foster care or other custodial care within the geographical boundaries of such school				
21	division by a Virginia agency, whether state or local, which is authorized under the laws				
22	of this Commonwealth to place children; (b) who has been placed in an orphanage or				
23	children's home which exercises legal guardianship rights; (c) who is a resident of Virginia				
24	and has been placed, not solely for school purposes, in a child-caring institution or group				
25	home; or (d) who is a student that was formerly in foster care upon reaching 18 years of				
26	age but who has not yet reached 22 years of age. For pupils included in subsection (d), the				
27	school division shall keep an accurate record of the number of days in which such child				
28	was enrolled in its public schools and shall be included in the division's certification				
29	provided to the Board of Education by July 1 each school year per § 22.1-101.1 C, Code				
30	of Virginia.				
31	b. This appropriation provides <del>\$12,661,313</del> \$11,151,563 the first year and <del>\$12,878,410</del>				
32	\$11,821,328 the second year from the Lottery Proceeds Fund to support children attending				
33	public school who have been placed in foster care or other such custodial care across				
34	jurisdictional lines, as provided by subsections A and B of § 22.1-101.1, Code of Virginia.				
35	To the extent these funds are not adequate to cover the full costs specified therein, the				
36	Department is authorized to expend unobligated balances in this Item for this support.				
37	24. Sales Tax Payments				
38	a. This is a sum-sufficient appropriation for distribution to counties, cities and towns a				
39	portion of net revenue from the state sales and use tax, in support of the Standards of				
40	Quality (Title 22.1, Chapter 13.2, Code of Virginia) (See the Attorney General's opinion				
41	of August 3, 1982).				
42	b. Certification of payments and distribution of this appropriation shall be made by the				
43	State Comptroller.				
44	c. The distribution of state sales tax funds shall be made in equal bimonthly payments at				
45	the middle and end of each month.				
46	25. Adult Literacy Payments				
47	a. Appropriations in this Item include \$125,000 the first year and \$125,000 the second				
48	year from the general fund for the ongoing literacy programs conducted by Mountain				
49	Empire Community College.				
50	b. Out of this appropriation, the Department of Education shall provide \$100,000 the first				
51	year and \$100,000 the second year from the general fund for the Virginia Literacy				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Foundation grants to support programs for adult literacy including those delivered by				
2	community-based organizations and school divisions providing services for adults with 0-9th				
3	grade reading skills.				
4	26. Governor's School Payments				
5	a. Out of the amounts for Governor's School Payments, the Department of Education shall				
6	provide assistance for the state share of the incremental cost of regular school year Governor's				
7	Schools based on each participating locality's composite index of local ability-to-pay.				
8	Participating school divisions must certify that no tuition is assessed to students for				
9	participation in this program.				
10	b.1) Out of the amounts for Governor's School Payments, the Department of Education shall				
11	provide assistance for the state share of the incremental cost of summer residential Governor's				
12	Schools and Foreign Language Academies to be based on the greater of the state's share of the				
13	composite index of local ability-to-pay or 50 percent. Participating school divisions must				
14	certify that no tuition is assessed to students for participation in this program if they are				
15	enrolled in a public school.				
16	2) Out of the amounts for Governor's School Payments, \$41,000 the first year and \$41,000 the				
17	second year is provided to support the Hanover Regional Summer Governor's School for				
18	Career and Technical Advancement, which was established pursuant to Chapter 425, 2014				
19	Acts of Assembly, and Chapter 665, 2015 Acts of Assembly.				
20	c. For the Summer Governor's Schools and Foreign Language Academies programs, the				
21	Superintendent of Public Instruction is authorized to adjust the tuition rates, types of programs				
22	offered, length of programs, and the number of students enrolled in order to maintain costs				
23	within the available state and local funds for these programs.				
24	d. It shall be the policy of the Commonwealth that state general fund appropriations not be				
25	used for capital outlay, structural improvements, renovations, or fixed equipment costs				
26	associated with initiation of existing or proposed Governor's schools. State general fund				
27	appropriations may be used for the purchase of instructional equipment for such schools,				
28	subject to certification by the Superintendent of Public Instruction that at least an equal				
29	amount of funds has been committed by participating school divisions to such purchases.				
30	e. The Board of Education shall not take any action that would increase the state's share of				
31	costs associated with the Governor's Schools as set forth in this Item. This provision shall not				
32	prohibit the Department of Education from submitting requests for the increased costs of				
33	existing programs resulting from updates to student enrollment for school divisions currently				
34	participating in existing programs or for school divisions that begin participation in existing				
35	programs.				
36	f.1) Regular school year Governor's Schools are funded through this Item based on the state's				
37	share of the incremental per pupil cost for providing such programs for each student attending				
38	a Governor's School up to a cap of 1,800 students per Governor's School in the first year and a				
39	cap of 1,800 students per Governor's School in the second year. This incremental per pupil				
40	payment shall be adjusted for the composite index of the school division that counts such				
41	students attending an academic year Governor's School in their March 31 Average Daily				
42	Membership. It is the intent of the General Assembly that this incremental per pupil amount				
43	be in addition to the basic aid per pupil funding provided to the affected school division for				
44	such students. Therefore, local school divisions are encouraged to provide the appropriate				
45	portion of the basic aid per pupil funding to the Governor's Schools for students attending				
46	these programs, adjusted for costs incurred by the school division for transportation,				
47	administration, and any portion of the day that the student does not attend a Governor's				
48	School.				
49	2) Students attending a revolving Academic Year Governor's School program for only one				
50	semester shall be counted as 0.50 of a full-time equivalent student and will be funded for only				
51	fifty percent of the full-year funded per pupil amount. Funding for students attending a				
52	revolving Academic Year program will be adjusted based upon actual September 30th and				
53	January 30th enrollment each fiscal year. For purposes of this Item, revolving programs shall				
54	mean Academic Year Governor's School programs that admit students on a semester basis.				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	3) Students attending a continuous, non-revolving Academic Year Governor's School				
2	program shall be counted as a full-time equivalent student and will be funded for the full-				
3	year funded per pupil amount. Funding for students attending a continuous, non-revolving				
4	Academic Year Governor's School program will be adjusted based upon actual September				
5	30th student enrollment each fiscal year. For purposes of this Item, continuous, non-				
6	revolving programs shall mean Academic Year Governor's School programs that only				
7	admit students at the beginning of the school year. Fairfax County Public Schools shall not				
8	reduce local per pupil funding for the Thomas Jefferson Governor's School below the				
9	amounts appropriated for the 2003-2004 school year.				
10	g. All regional Governor's Schools are encouraged to provide full-day grades 9 through 12				
11	programs.				
12	h. Out of the appropriation included in paragraph C.37. of this item,				
13	<del>\$1,052,140</del> \$1,040,545 the first year and <del>\$2,402,751</del> \$2,714,518 the second year from the				
14	general fund is provided in the Academic Year Governor's School funding allocation to				
15	increase the per pupil amount as an add-on for a compensation supplement equal to 5.0				
16	percent of base pay on August 1, 2022, an additional 5.0 percent of base pay on July 1,				
17	2023, and an additional 2.0 percent of base pay on January 1, 2024, for Academic Year				
18	Governor's School instructional and support positions.				
19	i. Each Academic Year Governor's School shall set diversity goals for its student body and				
20	faculty, develop a plan to meet said goals in collaboration with community partners at				
21	public meetings, and such goals and plan shall be published on the school's website. Each				
22	school shall submit a report to the Governor by October 1 of each year on its goals and				
23	status of implementing its plan, and such report shall be published on the school's website.				
24	The report shall include, but not be limited to the following: utilization of universal				
25	screenings in feeder divisions; admission processes in place or under consideration that				
26	promote access for historically underserved students; and outreach and communication				
27	efforts deployed to recruit historically underserved students. The report shall include the				
28	racial/ethnic make-up and socioeconomic diversity of its students, faculty, and applicants.				
29	27. School Nutrition Payments				
30	It is provided that, subject to implementation by the Superintendent of Public Instruction,				
31	no disbursement shall be made out of the appropriation for school nutrition to any locality				
32	in which the schools permit the sale of competitive foods in food service facilities or areas				
33	during the time of service of food funded pursuant to this Item.				
34	28. School Breakfast Payments				
35	a. Out of this appropriation, <del>\$9,637,895</del> \$10,689,269 the first year and				
36	<del>\$11,898,741</del> \$7,994,035 the second year from the Lottery Proceeds Fund is included to				
37	continue a state funded incentive program to maximize federal school nutrition revenues				
38	and increase student participation in the school breakfast program. These funds are				
39	available to any school division as a reimbursement for breakfast meals served that are in				
40	excess of the baseline established by the Department of Education. The per meal				
41	reimbursement shall be \$0.22; however, the department is authorized, but not required to				
42	reduce this amount proportionately in the event that the actual number of meals to be				
43	reimbursed exceeds the number on which this appropriation is based so that this				
44	appropriation is not exceeded.				
45	b. In order to receive these funds, school divisions must certify that these funds will be				
46	used to supplement existing funds provided by the local governing body and that local				
47	funds derived from sources that are not generated by the school nutrition programs have				
48	not been reduced or eliminated. The funds shall be used to improve student participation				
49	in the school breakfast program. These efforts may include, but are not limited to,				
50	reducing the per meal price paid by students, reducing competitive food sales in order to				
51	improve the quality of nutritional offerings in schools, increasing access to the school				
52	breakfast program, or providing programs to increase parent and student knowledge of				
53	good nutritional practices. In no event shall these funds be used to reduce local tax				
54	revenues below the level appropriated to school nutrition programs in the prior year.				
55	Further, these funds must be provided to the school nutrition programs and may not be				
56	used for any other school purpose.				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	c.1) Out of this appropriation, \$1,074,000 the first year and \$1,074,000 the second year from				
2	the general fund is provided to fund an After-the-Bell Model breakfast program available on a				
3	voluntary basis to elementary, middle, and high schools where student eligibility for free or				
4	reduced lunch exceeds 45.0 percent for the participating eligible school, and to provide				
5	additional reimbursement for eligible meals served in the current traditional school breakfast				
6	program at all grade levels in any participating school. The Department of Education is				
7	directed to ensure that only eligible schools receive reimbursement funding for participating				
8	in the After-the-Bell school breakfast model. The schools participating in the program shall				
9	evaluate the educational impact of the models implemented that provide school breakfasts to				
10	students after the first bell of the school day, based on the guidelines developed by the				
11	Department of Education and submit the required report to the Department of Education no				
12	later than August 31 each year.				
13	2) The Department of Education shall communicate, through Superintendent's Memo, to				
14	school divisions the types of breakfast serving models and the criteria that will meet the				
15	requirements for this State reimbursement, which may include, but are not limited to,				
16	breakfast in the classroom, grab and go breakfast, or a breakfast after first period. School				
17	divisions may determine the breakfast serving model that best applies to its students, so long				
18	as it occurs after the instructional day has begun. The Department of Education shall monthly				
19	transfer to each school division a reimbursement rate of \$0.05 per breakfast meal that meets				
20	either of the established criteria in elementary schools and a reimbursement rate of \$0.10 per				
21	breakfast meal that meets either of the established criteria in middle or high schools.				
22	3) No later than July 1 each year, the Department of Education shall provide for a breakfast				
23	program application process for school divisions with eligible schools, including guidelines				
24	regarding specified required data to be compiled from the prior school year or years and for				
25	the upcoming school year program. The number of approved applications shall be based on				
26	the estimated number of sites that can be accommodated within the approved funding level.				
27	The Department of Education shall set criteria for establishing priority should the number of				
28	applications from eligible schools exceed the approved funding level. The reporting				
29	requirements must include: chronic absenteeism rates, student attendance and tardy arrivals,				
30	office discipline referrals, student achievement measures, teachers' and administrators'				
31	responses to the impact of the program on student hunger, student attentiveness, and overall				
32	classroom learning environment before and after implementation, and the financial impact on				
33	the division's school food program. Funded schools that do not provide data by August 31 are				
34	subject to exclusion from funding in the following year. The Department of Education shall				
35	collect and compile the results of the breakfast program and shall submit the report to the				
36	Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations				
37	Committees no later than November 1 following each school year.				
38	29. Clinical Faculty and Mentor Teacher Program Payments				
39	This appropriation includes \$1,000,000 the first year and \$1,000,000 the second year from the				
40	Lottery Proceeds Fund to be paid to local school divisions for statewide Mentor Teacher				
41	Programs to assist pre-service teachers and beginning teachers to make a successful transition				
42	into full-time teaching. This appropriation also includes \$318,750 the first year and \$318,750				
43	the second year from the general fund for Clinical Faculty programs to assist pre-service				
44	teachers and beginning teachers to make a successful transition into full-time teaching. Such				
45	programs shall include elements which are consistent with the following:				
46	a. An application process for localities and school/higher education partnerships that wish to				
47	participate in the programs;				
48	b. For Clinical Faculty programs only, provisions for a local funding or institutional				
49	commitment of 50 percent, to match state grants of 50 percent;				
50	c. Program plans which include a description of the criteria for selection of clinical faculty				
51	and mentor teachers, training, support, and compensation for clinical faculty and mentor				
52	teachers, collaboration between the school division and institutions of higher education, the				
53	clinical faculty and mentor teacher assignment process, and a process for evaluation of the				
54	programs;				
55	d. The Department of Education shall allow flexibility to local school divisions and higher				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	education institutions regarding compensation for clinical faculty and mentor teachers				
2	consistent with these elements of the programs; and				
3	e. It is the intent of the General Assembly that no preference between pre-service or				
4	beginning teacher programs be construed by the language in this Item. School divisions				
5	operating beginning teacher mentor programs shall receive equal consideration for				
6	funding.				
7	30. Career Switcher/Alternative Licensure Payments				
8	Appropriations in this Item include \$279,983 the first year and \$279,983 the second year				
9	from the general fund to provide grants to school divisions that employ mentor teachers				
10	for new teachers entering the profession through the alternative route to licensure as				
11	prescribed by the Board of Education.				
12	31. Virginia Workplace Readiness Skills Assessment				
13	Appropriations in this Item include \$308,655 the first year and \$308,655 the second year				
14	from the general fund to provide support grants to school divisions for standard diploma				
15	graduates. To provide flexibility, school divisions may use the state grants for the actual				
16	assessment or for other industry certification preparation and testing.				
17	32. Early Reading Specialists Initiative				
18	a. An additional payment of <del>\$3,476,790</del> \$3,411,540 the first year and \$3,476,790 the				
19	second year from the general fund shall be disbursed by the Department of Education to				
20	qualifying local school divisions for the purpose of providing a reading specialist for				
21	schools with a third grade that rank lowest statewide on the reading Standards of Learning				
22	(SOL) assessments. Funding for a reading specialist during the 2022-2024 biennium shall				
23	be based on the results of the Spring 2021 reading SOL assessments. Such schools shall be				
24	eligible to receive the state share of funding for both years of the biennium. Following				
25	certification from a school division that it will not participate in the program, the				
26	Department is authorized to identify additional eligible schools based upon the list of				
27	schools that rank lowest on the Spring 2021 SOL reading assessment.				
28	b. These payments shall be based on the state's share of the cost of providing one reading				
29	specialist per qualifying school.				
30	c. These payments are available to any school division with a qualifying school that				
31	certifies to the Department of Education that the division has hired a reading specialist or				
32	reading coach to provide direct services to children reading below grade level in the				
33	school to improve reading achievement for the purpose of creating additional instructional				
34	time for reading specialists or reading coaches to work with students reading below grade				
35	level to improve reading achievement. Additionally, school divisions shall certify that the				
36	reading specialists or reading coaches hired pursuant to this program are in addition to the				
37	reading specialist positions funded through Basic Aid and required pursuant to B.7.h. of				
38	this Item to serve students at the qualifying school.				
39	d. These payments also are available to any school division with a qualifying school that				
40	certifies to the Department of Education that the division is supporting tuition for				
41	collegiate programs and instruction for currently employed instructional school personnel				
42	to earn the credentials necessary to meet licensure requirements to be endorsed as a				
43	reading specialist. Additionally, school divisions shall certify that the currently employed				
44	instructional school personnel whose tuition is supported pursuant to this program are in				
45	addition to the reading specialist positions funded through Basic Aid and required				
46	pursuant to B.7.h. of this Item to serve students at the qualifying school.				
47	e. School divisions receiving these payments are required to match these funds based on				
48	the composite index of local ability-to-pay.				
49	f. Within the fiscal year, any funds not awarded from this program may be awarded to				
50	eligible schools under the Math/Reading Instructional Specialist Initiative.				
51	33. Math/Reading Instructional Specialist Initiative				

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1	a. Included in this appropriation is <del>\$1,834,538</del> \$1,725,807 the first year and \$1,834,538 the				
2	second year from the general fund in additional payments for reading or math instructional				
3	specialists at underperforming schools. From this amount, the state share of one reading or				
4	math specialist shall be provided to local school divisions with schools which rank lowest				
5	statewide on the Spring Standards of Learning (SOL) math or reading assessment. Funding				
6	for one math or reading specialist during the 2022-2024 biennium shall be based on the results				
7	of the Spring 2021 SOL assessments. Such schools shall be eligible to receive the state share				
8	of funding for both years of the biennium. If, following certification from a school division				
9	that it will not participate in the program, the Department is authorized to identify additional				
10	eligible schools based upon the list of schools that rank lowest on the Spring 2021 SOL math				
11	or reading assessment.				
12	b. These payments are available to any school division with a qualifying school that certifies				
13	to the Department of Education that the division has (1) hired a math or reading instructional				
14	specialist, or (2) is supporting tuition for collegiate programs and instruction for currently				
15	employed instructional school personnel to earn the credentials necessary to meet licensure				
16	requirements to be endorsed as a math specialist or a reading specialist. Localities receiving				
17	these payments are required to match these funds based on the composite index of local				
18	ability-to-pay.				
19	c. School divisions that elect to use funding to support tuition for collegiate programs and				
20	instruction for currently employed instructional school personnel pursuant to paragraph b.				
21	shall provide documentation of these costs to the Department of Education prior to receiving				
22	state funds. The Department of Education shall provide state funding for the lesser of the				
23	actual cost or the state share of a math or reading specialist position per eligible school for				
24	funds used in such a manner.				
25	d. The Department of Education is authorized to utilize available funding appropriated to the				
26	Early Reading Specialist Initiative contained in this Item to pay for instructional specialists at				
27	additional eligible schools, or to support tuition for collegiate programs and instruction for				
28	currently employed instructional school personnel at additional eligible schools to earn the				
29	credentials necessary to meet licensure requirements to be endorsed as an instructional				
30	specialist.				
31	e. Within the fiscal year, any funds not awarded from this program may be awarded to eligible				
32	schools under the Early Reading Specialists Initiative.				
33	f. The Department of Education may award prorated state funds for specialist positions filled				
34	after the beginning of the school year.				
35	34. Broadband Connectivity Capabilities				
36	By November 1 each year, school divisions shall report to the Department of Education the				
37	status of broadband connectivity capability of schools in the division on a form to be provided				
38	by the Department. Such report shall include school-level information on the method of				
39	Internet service delivery, the level of bandwidth capacity and the degree such capacity is				
40	sufficient for delivery of school-wide digital resources and instruction, degree of internet				
41	connectivity via Wi-Fi, cost information related to Internet connectivity, data security, and				
42	such other pertinent information as determined by the Department of Education. The				
43	Department shall provide a summary of the division responses in a report to be made				
44	available on its agency Web site.				
45	35. Infrastructure and Operations Per Pupil Funds				
46	a. Out of this appropriation, an amount estimated at <del>\$276,361,274</del> \$276,053,409 the first year				
47	and <del>\$276,361,272</del> \$276,361,196 the second year from the Lottery Proceeds Fund shall be				
48	disbursed by the Department of Education to local school divisions to support the state share				
49	of an estimated <del>\$407.41</del> \$405.25 per pupil the first year and <del>\$406.04</del> \$406.90 per pupil the				
50	second year in adjusted March 31 average daily membership. These per pupil amounts are				
51	subject to change for the purpose of payment to school divisions based on the actual March 31				
52	ADM collected each year. These funds shall be matched by the local government, based on				
53	the composite index of local ability-to-pay. Further, in order to receive this funding, the				
54	locality in which the school division is located shall appropriate these funds solely for				
55	educational purposes and shall not use such funds to reduce total local operating expenditures				



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1	for public education below the amount expended by the locality for such purposes in the				
2	year upon which the 2020-2022 biennial Standards of Quality expenditure data were				
3	based; provided however that no locality shall be required to maintain a per-pupil				
4	expenditure which is greater than the per pupil amount expended by the locality for such				
5	purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure				
6	data were based. The Department of Education is authorized each year to temporarily				
7	suspend Infrastructure and Operations Per Pupil Allocation payments made to school				
8	divisions from Lottery funds to ensure that any shortfall in Lottery revenue can be				
9	accounted for in the remaining Infrastructure and Operations Per Pupil Allocation				
10	payments to be made for the year.				
11	b. From the amounts listed above, funds are provided to ensure that small school divisions				
12	receive an Infrastructure and Operations payment of at least \$200,000 each year. Divisions				
13	receiving additional funds for a payment of at least \$200,000 shall only be required to				
14	provide the local match on the per pupil amount distributed in paragraph C.35.a.				
15	c. Of the amounts listed above, no more than 60 percent shall be used for recurring costs				
16	and at least 40 percent shall be spent on nonrecurring expenditures by the relevant school				
17	divisions. Nonrecurring costs shall include school construction, additions, infrastructure,				
18	site acquisition, renovations, school buses, technology, and other expenditures related to				
19	modernizing classroom equipment, and debt service payments on school projects				
20	completed or initiated during the last 10 years. The Department of Education shall				
21	consider such nonrecurring expenses by school divisions from local funds to be credited				
22	toward their required local match under this program.				
23	d. Any funds provided to school divisions that are unexpended as of June 30, 2023, and				
24	June 30, 2024, shall not revert to the Commonwealth but shall be carried on the books of				
25	the locality in local escrow accounts pursuant to § 22.1-175.5, to be appropriated to the				
26	school division for use for the same purpose.				
27	36. Special Education Endorsement Program				
28	a. Notwithstanding § 22.1-290.02, Code of Virginia, out of this appropriation, \$437,186				
29	the first year and \$437,186 the second year from the general fund is provided for				
30	traineeships and program operation grants that shall be awarded to public Virginia				
31	institutions of higher education to prepare persons who are employed in the public schools				
32	of Virginia, state operated programs, or regional special education centers as special				
33	educators with a provisional license and enrolled either part-time or full-time in programs				
34	for the education of children with disabilities. Applicants shall be graduates of a regionally				
35	accredited college or university.				
36	b. The award of such grants shall be made by the Department of Education, and the				
37	number of awards during any one year shall depend upon the amounts appropriated by the				
38	General Assembly for this purpose. The amount awarded for each traineeship shall be				
39	\$600 for a minimum of three semester hours of course work in areas required for the				
40	special education endorsement to be taken by the applicant during a single semester or				
41	summer session. Only one traineeship shall be awarded to a single applicant in a single				
42	semester or summer session.				
43	37. Compensation Supplement				
44	a. Out of this appropriation, <del>\$231,754,237</del> \$232,252,444 the first year and <del>\$525,462,688</del>				
45	\$586,032,395 the second year from the general fund is provided for the state share of the				
46	following salary increases and related fringe benefit costs:				
47	1) For the first year, a 5.0 percent salary increase effective August 1, 2022, for funded				
48	SOQ instructional and support positions. Sufficient funds are appropriated in this act to				
49	finance, on a statewide basis, the state share of up to a 5.0 percent salary increase effective				
50	August 1, 2022, to school divisions that certify to the Department of Education that an				
51	equivalent increase will be provided to instructional and support personnel the first year.				
52	The state share of funding provided to a school division in support of this compensation				
53	supplement shall be prorated for school divisions that provide less than an average 5.0				
54	percent salary increase the first year; however, to access these funds, a school division				
55	must provide at least an average 2.5 percent salary increase the first year.				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	2) For the second year, an additional 5.0 percent salary increase effective July 1, 2023, for				
2	funded SOQ instructional and support positions. Sufficient funds are appropriated in this act				
3	to finance, on a statewide basis, the state share of up to an additional 5.0 percent salary				
4	increase effective July 1, 2023, to school divisions that certify to the Department of Education				
5	that an equivalent increase will be provided to instructional and support personnel the second				
6	year. The state share of funding provided to a school division in support of this compensation				
7	supplement shall be prorated for school divisions that provide less than an additional average				
8	5.0 percent salary increase the second year; however, to access these funds, a school division				
9	must provide at least an average 2.5 percent salary increase the first year and at least an				
10	additional average 2.5 percent salary increase the second year.				
11	<i>3) For the second year, an additional 2.0 percent salary increase effective January 1, 2024,</i>				
12	<i>for funded SOQ instructional and support positions. Sufficient funds are appropriated in this</i>				
13	<i>act to finance, on a statewide basis, the state share of a 2.0 percent salary increase effective</i>				
14	<i>January 1, 2024. To access the funds for the 2.0 percent increase effective January 1, 2024,</i>				
15	<i>school divisions (1) must have provided at least an average 2.5 percent increase in the first</i>				
16	<i>year and an average 2.5 increase in the second year as provided in paragraph C.37.a.1) and</i>				
17	<i>2) of this item and (2) shall certify to the Department of Education that an equivalent increase</i>				
18	<i>will be provided to instructional and support personnel effective no later than January 1,</i>				
19	<i>2024. School divisions that previously provided a total average increase in excess of the 5.0</i>				
20	<i>percent increases provided in the first year or the second year to instructional and support</i>				
21	<i>personnel may count average increases given in excess of those 5.0 percent increases toward</i>				
22	<i>this certification.</i>				
23	<del>3)4) Payments in the second year to any school division shall be based on providing the funds</del>				
24	<del>needed to continue the first year increase actually provided by the division plus the increase</del>				
25	<del>provided by the division in the second year.</del>				
26	b. Out of this appropriation, <del>\$1,052,140</del> \$1,040,545 the first year and <del>\$2,402,751</del> \$2,714,518				
27	the second year from the general fund is provided for the state share of the salary increases				
28	stated in paragraph a. above for Academic Year Governor's Schools, and <del>\$750,443</del> \$743,584				
29	the first year and <del>\$1,648,377</del> \$1,813,413 the second year from the Lottery Proceeds fund is				
30	provided for the state share of these salary increases for Regional Alternative Education				
31	Programs.				
32	c. It is the intent that the average instructional and support position salaries are increased in				
33	local school divisions throughout the state by at least 5.0 percent the first year, at least an				
34	additional 5.0 the second year, <i>and at least an additional 2.0 the second year</i> , resulting in a				
35	combined increase of at least <del>40.25</del> 12 percent during the biennium.				
36	d. The state funds that the school division is eligible to receive shall be matched by the local				
37	government based on the composite index of local ability-to-pay. This local match shall be				
38	calculated for funded SOQ instructional and support positions using an effective date of				
39	August 1, 2022, the first year and July 1, 2023, the second year <i>for funding provided pursuant</i>				
40	<i>to paragraph C.37.a.2) and January 1, 2024, the second year for funding provided pursuant</i>				
41	<i>to paragraph C.37.a.3).</i> Local school divisions shall certify to the Department of Education				
42	that funds used as the local match are derived solely from local revenue sources.				
43	e. This funding is not intended as a mandate to increase salaries.				
44	38. School Meals Expansion				
45	Out of this appropriation, \$4,100,000 the first year and \$4,100,000 the second year from the				
46	general fund is provided for local school divisions to reduce or eliminate the cost of school				
47	breakfast and school lunch for students who are eligible for reduced price meals under the				
48	federal National School Lunch Program and School Breakfast Program. The Department of				
49	Education is authorized to reduce this amount proportionately so as not to exceed this				
50	appropriation.				
51	39. Alleghany County - Covington City School Division Consolidation Incentive				
52	Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the				
53	general fund is provided as an incentive for the consolidation of the Alleghany County and				
54	Covington City school divisions. These incentive payments represent the third and fourth				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
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1	installments of five \$600,000 payments as recommended for this consolidation incentive				
2	through the methodology contained in the Study on School Division Joint Contracting				
3	Incentives (Report Document 548, 2016). In fiscal year 2025, \$600,000 shall be provided				
4	as the incentive payment, with no adjustments.				
5	40. Hold Harmless for Rebenchmarking Data Affected by COVID-19				
6	Out of this appropriation, \$177,079,892 the first year and \$177,441,317 the second year				
7	from the general fund is provided to support an additional payment based on the state's				
8	share of Standards of Quality Basic Aid and Special Education payments to school				
9	divisions in the 2022-2024 biennium in response to unanticipated reductions in the base				
10	year rebenchmarking data for special education, pupil transportation, and non-personal				
11	support costs. This additional payment is based on child count and local expenditure				
12	projections for the base year rebenchmarking data that was affected by the mandatory				
13	school closings and virtual school settings that resulted from the COVID-19 pandemic.				
14	The projected data supporting this additional payment shall remain constant for the 2022-				
15	2024 biennium, and no subsequent technical updates shall be made to the data during the				
16	biennium that affect the appropriated amounts. These funds are provided to local school				
17	divisions pursuant to the Standards of Quality and shall be matched by the local				
18	government based on the composite index of local ability-to-pay. The Department of				
19	Education shall account for these funds in its calculations for required local effort,				
20	pursuant to paragraph B.8. of this Item and § 22.1-97, Code of Virginia. Local school				
21	divisions shall use these funds to support expenses allowable under Standards of Quality				
22	Basic Aid and Special Education.				
23	41. School Construction Grants Program				
24	a. Out of this appropriation, \$400,000,000 the first year from the general fund is provided				
25	for grants to school divisions for nonrecurring expenditures by the relevant school				
26	division. Nonrecurring costs shall include school construction, additions, infrastructure,				
27	site acquisition, renovations, technology and other expenditures related to modernizing				
28	classroom equipment, school safety equipment or school safety renovations, and debt				
29	service payments on school projects completed or initiated during the last ten years. These				
30	funds shall not be used for the repair or replacement of parking lots or the replacement or				
31	modernization of school facilities that are predominantly used for extracurricular athletics				
32	activities.				
33	b. For any school construction projects funded with these grant proceeds, school divisions				
34	are encouraged to utilize best practices for construction and renovation, which may				
35	include value engineering, Leadership in Energy and Environmental Design (LEED)				
36	standards, or other relevant standards that would improve the health, safety, and quality of				
37	educational facilities.				
38	c. Any funds provided to school divisions for school construction that are unexpended as				
39	of June 30, 2023, and June 30, 2024, shall not revert to the Commonwealth but shall be				
40	carried on the books of the locality in local escrow accounts pursuant to § 22.1-175.5, to				
41	be appropriated to the school division for use for the same purposes listed in Item 137				
42	C.41.a.				
43	42. Supplemental Support for Accomack and Northampton				
44	An additional state payment of \$1,750,000 the first year <i>and \$1,750,000 the second year</i>				
45	from the Lottery Proceeds Fund shall be disbursed to provide one-time support to				
46	Accomack and Northampton school divisions for teacher recruitment and retention efforts,				
47	including adjustments to salary scales to minimize the misalignment to salary scales of				
48	adjacent counties.				
49	43. School Construction Assistance Program.				
50	a. Out of this appropriation, \$400,000,000 the first year from the general fund and				
51	\$50,000,000 the first year from the Literary Fund shall be transferred into the School				
52	Construction Fund for the Board of Education to award grants on a competitive basis from				
53	the Fund to local school boards that demonstrate poor building conditions, commitment,				
54	and need in order for such local school boards to fund the construction, expansion, or				

ITEM 137.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	modernization of public school buildings. Any unobligated balance for this program on June			
2	30, 2023, shall be reappropriated for expenditure in the second year for the same purpose.			
3	b. The Board of Education shall develop guidelines for the administration of this program,			
4	which shall provide at a minimum that:			
5	1. Grants shall be provided only for projects that conform to the Department of Education's			
6	"Guidelines for School Facilities in Virginia's Public Schools," as amended.			
7	2. Grant awards shall be based on project costs, including planning, design, site acquisition			
8	and construction, the school division's local composite index, and the fiscal stress category as			
9	designated by the Virginia Commission on Local Government in its most recent "Report on			
10	Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and			
11	Cities" for the locality that contains the school division, as follows:			
12	<b>School Division</b>	<b>Grant Award Amount</b>		
13	School divisions with a local composite index value below	30 percent of project costs		
14	.3000, or contained in a locality designated with high fiscal			
15	stress			
16	School divisions with a local composite index value at or	20 percent of project costs		
17	above .3000 and below .4000, or contained in a locality			
18	designated with above average fiscal stress			
19	All other school divisions	10 percent of project costs		
20	3. A minimum qualifying score shall be met for a project to qualify for a grant award based on			
21	Board-developed scoring criteria. The Board shall set such minimum score at a level to ensure			
22	funds are reserved for critical school construction projects. Such scoring criteria shall provide			
23	appropriate weight to the following categories for the award of grants:			
24	a.) Commitment, which may be demonstrated by factors such as: (i) an agreement by the local			
25	governing body to maintain or increase the percentage of local revenues dedicated to public			
26	education throughout the duration of the financing proposed for the project and (ii) the extent			
27	of project design and site acquisition for such project that has been completed prior to			
28	application of anticipated grant funds.			
29	b.) Need, which may consider factors such as: (i) the percentage of students in the local			
30	school division eligible to receive free price meals; (ii) the percentage of residents of the			
31	locality in which the local school division is located with incomes at or below the federal			
32	poverty guidelines established by the U.S. Department of Health and Human Services; (iii)			
33	the local composite index of local ability-to-pay for the local school division; (iv) debt			
34	capacity of the locality in which the school division is located; and (v) the most recent fiscal			
35	stress score of the locality that includes the local school division as designated by the Virginia			
36	Commission on Local Government.			
37	c.) Poor school building conditions, which may consider factors such as: (i) the condition of			
38	the facilities proposed to be replaced or upgraded using these funds, including the current			
39	level of compliance of the existing facility with the Americans with Disabilities Act of 1990			
40	(42 U.S.C. § 12101 et seq.) and the facilities potential threat to the health or safety of building			
41	occupants; (ii) the school division maintenance reserve tool established pursuant to Chapter			
42	650 of the 2022 General Assembly; and (iii) the overall condition of other facilities within the			
43	school division.			
44	4. If qualifying grant award requests exceed the amount of funds available, grants shall be			
45	awarded based on ranked project scores, and shall not be prorated.			
46	5. The release of funds to grant awardees shall be reasonably aligned with the timing of			
47	incurred expenses.			
48	6. A specific project shall only receive one grant award. The total project cost eligible to			
49	receive a grant shall be up to \$100,000,000. Grant awards shall not be amended for any			
50	additional reasonable project costs after the Board awards a grant to a division.			

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	c. For the purpose of this program, "project costs" shall include reasonable project				
2	construction costs as defined by the Board, including planning, design, site acquisition and				
3	construction, and not to include financing costs, outdoor facilities predominantly used for				
4	extracurricular athletic activities, loose equipment, and furniture.				
5	d. The Board of Education shall submit an executive summary of the program, including				
6	details on projects funded each year and any necessary legislative or budget				
7	recommendations to improve the program, no later than December 1 of each year to the				
8	Chairs of the House Education Committee, Senate Education and Health Committee,				
9	House Appropriations Committee, and Senate Finance and Appropriations Committee.				
10	44. College Partnership Laboratory Schools Fund				
11	a. Out of this appropriation, \$100,000,000 the first year from the general fund shall be				
12	deposited to the College Partnership Laboratory Schools Fund established pursuant to §				
13	<a href="#">22.1-349.2</a> , Code of Virginia.				
14	b. The Board of Education is authorized to award up to \$5,000,000 from the College				
15	Partnership Laboratory Schools Fund for planning grants to entities pursuing the creation				
16	of new college partnership laboratory schools.				
17	c. The Board of Education is authorized to award up to \$20,000,000 from the College				
18	Partnership Laboratory Schools Fund to approved college partnership laboratory schools				
19	to assist with initial startup costs.				
20	d. The Board of Education is authorized to distribute remaining amounts from the College				
21	Partnership Laboratory Schools Fund to support per-pupil costs for approved college				
22	partnership laboratory schools.				
23	e. Prior to the disbursement of funds from the College Partnership Laboratory Schools				
24	Fund, the Board of Education shall establish guidelines for the distribution and award of				
25	these funds and submit such guidelines to the Chairs of the House Appropriations and				
26	Senate Finance and Appropriations Committees by December 1, 2022. Such guidelines				
27	shall consider and be consistent with the distribution of state funds for Standards of				
28	Quality, Categorical, Incentive and Lottery program per-pupil costs.				
29	f. Notwithstanding the provisions of subsection A of § <a href="#">22.1-349.1</a> , Code of Virginia, for				
30	the purpose of this Item, a "college partnership laboratory school" means a public,				
31	nonsectarian, nonreligious school in the Commonwealth established by a baccalaureate				
32	public institution of higher education.				
33	g. All funds that have not been obligated for approved college partnership laboratory				
34	schools as of June 30, 2024 shall revert to the general fund.				
35	45. ARPA Pandemic Bonus Payment				
36	a. Item 486 includes \$130,122,981 the first year from distributions of the federal State and				
37	Local Recovery Fund (SLRF) pursuant to the American Rescue Plan Act of 2021				
38	(ARPA), as a provision of government services, for a one-time pandemic bonus payment				
39	of \$1,000 on December 1, 2022, per funded SOQ instructional position and support				
40	positions and per Academic Year Governor's School and Regional Alternative Education				
41	Program instructional and support positions. Funded SOQ instructional positions shall				
42	include all teacher, guidance counselor, librarian, instructional aide, principal, and				
43	assistant principal positions funded through the SOQ staffing standards for each school				
44	division in the first year.				
45	b. Sufficient funding is provided for the entire cost of an average \$1,000 bonus per funded				
46	SOQ instructional and support position in this act. Sufficient funding is provided for the				
47	entire cost of an average \$1,000 bonus per Academic Year Governor's School and				
48	Regional Alternative Education Program instructional and support position based on fiscal				
49	year 2021 full-time equivalent position counts, as reported to the Department of				
50	Education. School divisions shall have discretion to determine the amount of bonuses per				
51	employee to maximize the use of these funds to promote retention among instructional and				
52	support positions in this act. The funds for which a division is eligible to receive shall				
53	require no match by the local government. Localities are encouraged to use additional				

ITEM 137.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	available funds to provide pandemic bonuses to other eligible instructional and support				
2	positions.				
3	<i>46. Hold Harmless for Sum of Basic Aid and Sales Tax Payments</i>				
4	<i>Out of this appropriation, \$16,829,270 the first year from the general fund is provided to</i>				
5	<i>ensure that the sum of basic aid and sales tax payments a school division receives in fiscal</i>				
6	<i>year 2023 is at least the sum of basic aid and sales tax payments that was communicated to</i>				
7	<i>school divisions in Superintendents Memo #133-22.</i>				
8	<i>47. Flexible Funding Supplement</i>				
9	<i>a. Out of this appropriation, \$418,299,937 the second year from the general fund is provided</i>				
10	<i>to support flexible funding for the implementation of the Virginia Literacy Act, learning loss</i>				
11	<i>recovery, and additional operating and infrastructure support. Funding shall be disbursed to</i>				
12	<i>support the state share of \$1,086.44 per pupil the second year based on the estimated number</i>				
13	<i>of Federal Free Lunch participants and the state share of \$203.63 per pupil the second year</i>				
14	<i>based on the unadjusted daily membership. Each school division shall receive at least</i>				
15	<i>\$150,000 from this appropriation. State payments shall be based upon the projections of</i>				
16	<i>March 31, 2024, average daily membership used to calculate these payments in Chapter 1,</i>				
17	<i>2023 Acts of Assembly, Special Session I.</i>				
18	<i>b. Funds shall not require a local match. Any funds provided to school divisions from this</i>				
19	<i>appropriation that are unexpended as of June 30, 2024, shall be carried on the books of the</i>				
20	<i>locality to be appropriated to the school division in the following year if the division certifies</i>				
21	<i>to provide the local match for the At-Risk Add-On Program for the 2024-2026 biennium.</i>				
22	<i>School divisions are permitted to use any remaining fund balance until the funds are expended</i>				
23	<i>for the qualifying purpose.</i>				
24	<i>c. School divisions shall report on the uses of these funds and the use of school division pass-</i>				
25	<i>through federal Elementary and Secondary School Education Relief funds used since 2020.</i>				
26	<i>Such reporting shall specify amounts obligated and expensed based on reporting categories</i>				
27	<i>as prescribed by the Department of Education. School divisions also shall report how funds</i>				
28	<i>address performance gains or losses related to reading and mathematics and support</i>				
29	<i>preparation and implementation of the Virginia Literacy Act. The Department of Education</i>				
30	<i>shall compile this information and submit it to the Governor and the Chairs of the House</i>				
31	<i>Appropriations and Senate Finance and Appropriations Committee no later than October 1,</i>				
32	<i>2024, 2025, and 2026.</i>				
33	<i>d. The locality in which the school division is located shall appropriate these funds solely for</i>				
34	<i>educational purposes and shall not use such funds to reduce total local operating</i>				
35	<i>expenditures for public education below the amount expended by the locality for such</i>				
36	<i>purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure</i>				
37	<i>data were based; provided however that no locality shall be required to maintain a per-pupil</i>				
38	<i>expenditure which is greater than the per pupil amount expended by the locality for such</i>				
39	<i>purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure</i>				
40	<i>data were based.</i>				
41	138. Not set out.				
42	138.10 Not set out.				
43	Total for Direct Aid to Public Education.....			\$11,104,322,613	\$11,196,021,820
44					\$11,002,896,412
45	Fund Sources: General.....	\$9,143,956,725	\$9,214,996,464		
46			\$8,932,383,033		
47	Special.....	\$1,005,000	\$1,020,000		
48	Commonwealth Transportation.....	\$1,359,300	\$1,495,230		
49	Trust and Agency.....	\$834,671,715	\$855,180,253		
50			\$944,668,276		
51	Federal Trust.....	\$1,123,329,873	\$1,123,329,873		

ITEM 138.10.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1		Grand Total for Department of Education, Central				
2		Office Operations.....			\$11,522,279,629	<del>\$11,621,953,394</del>
3						\$11,428,827,986
4		General Fund Positions.....	167.17	181.17		
5		Nongeneral Fund Positions.....	335.83	335.83		
6		Position Level.....	503.00	517.00		
7		Fund Sources: General.....	\$9,224,140,100	<del>\$9,296,632,220</del>		
8				\$9,014,018,789		
9		Special.....	\$6,811,735	\$6,826,735		
10		Commonwealth Transportation.....	\$1,643,154	\$1,779,084		
11		Trust and Agency.....	\$862,658,940	<del>\$889,689,655</del>		
12				\$979,177,678		
13		Federal Trust.....	\$1,427,025,700	\$1,427,025,700		
14	139.	Not set out.				
15	140.	Not set out.				
16	141.	Not set out.				
17	142.	Not set out.				
18	143.	Not set out.				
19	144.	Not set out.				
20	145.	Not set out.				
21	146.	Not set out.				
22	147.	Not set out.				
23	148.	Not set out.				
24	149.	Not set out.				
25	150.	Not set out.				
26	151.	Not set out.				
27	152.	Not set out.				
28	153.	Not set out.				
29	154.	Not set out.				
30	155.	Not set out.				
31	156.	Not set out.				
32	157.	Not set out.				
33	158.	Not set out.				
34	159.	Not set out.				

ITEM 160.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	160.	Not set out.				
2	161.	Not set out.				
3	162.	Not set out.				
4	163.	Not set out.				
5	164.	Not set out.				
6	165.	Not set out.				
7	166.	Not set out.				
8	167.	Not set out.				
9	168.	Not set out.				
10	169.	Not set out.				
11	170.	Not set out.				
12	171.	Not set out.				
13	172.	Not set out.				
14	173.	Not set out.				
15	174.	Not set out.				
16	175.	Not set out.				
17	176.	Not set out.				
18	177.	Not set out.				
19	178.	Not set out.				
20	179.	Not set out.				
21	180.	Not set out.				
22	181.	Not set out.				
23	182.	Not set out.				
24	183.	Not set out.				
25	184.	Not set out.				
26	185.	Not set out.				
27	186.	Not set out.				
28	187.	Not set out.				



ITEM 188.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	188.	Not set out.				
2	189.	Not set out.				
3	190.	Not set out.				
4	191.	Not set out.				
5	192.	Not set out.				
6	193.	Not set out.				
7	194.	Not set out.				
8	195.	Not set out.				
9	196.	Not set out.				
10	197.	Not set out.				
11	198.	Not set out.				
12	199.	Not set out.				
13	200.	Not set out.				
14	201.	Not set out.				
15	202.	Not set out.				
16	203.	Not set out.				
17	204.	Not set out.				
18	205.	Not set out.				
19	206.	Not set out.				
20	207.	Not set out.				
21	208.	Not set out.				
22	209.	Not set out.				
23	210.	Not set out.				
24	211.	Not set out.				
25	212.	Not set out.				
26	213.	Not set out.				
27	214.	Not set out.				
28	215.	Not set out.				

ITEM 215.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	216.	Not set out.				
2	217.	Not set out.				
3	218.	Not set out.				
4	219.	Not set out.				
5	220.	Not set out.				
6	221.	Not set out.				
7	222.	Not set out.				
8	223.	Not set out.				
9	224.	Not set out.				
10	225.	Not set out.				
11	226.	Not set out.				
12	227.	Not set out.				
13	228.	Not set out.				
14	<b>§ 1-7. VIRGINIA STATE UNIVERSITY (212)</b>					
15	229.	Not set out.				
16	230.	Not set out.				
17	231.	Not set out.				
18	232.	Not set out.				
19	<b>Cooperative Extension and Agricultural Research Services (234)</b>					
20	233.	Educational and General Programs (10000).....			\$14,390,198	<del>\$14,390,198</del>
21						\$16,176,487
22		Higher Education Research (100102).....	\$6,601,489	\$6,601,489		
23		Higher Education Public Services (100103).....	\$7,044,370	<del>\$7,044,370</del>		
24				\$8,830,659		
25		Higher Education Institutional Support (100106).....	\$77,738	\$77,738		
26		Operation and Maintenance Of Plant (100107).....	\$666,601	\$666,601		
27		Fund Sources: General.....	\$7,310,969	<del>\$7,310,969</del>		
28				\$9,097,258		
29		Higher Education Operating.....	\$7,079,229	\$7,079,229		
30	Authority: Title 23.1, Chapter 27, § <a href="#">23.1-2704</a> , Title 23, Chapter 13, Code of Virginia.					
31	A. Out of this appropriation, \$392,107 the first year and \$392,107 the second year from the					
32	general fund is designated for support of research and extension activities aimed at the					
33	production of hybrid striped bass in Virginia farm ponds. No expenditures will be made from					
34	these funds for other purposes without the prior written permission of the Secretary of					
35	Education.					

ITEM 233.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	B. The Extension Division budgets shall include and separately account for local				
2	payments. Virginia State University, in conjunction with Virginia Polytechnic Institute				
3	and State University, shall report, by fund source, actual expenditures for each program				
4	area and total actual expenditures for the Extension Division, annually, by September 1, to				
5	the Department of Planning and Budget and the House Appropriations and Senate Finance				
6	and Appropriations Committees. The report shall include all expenditures from local				
7	support funds.				
8	C. Out of this appropriation, \$394,000 the first year and \$394,000 the second year from				
9	the general fund is designated for the Small-Farmer Outreach Training and Technical				
10	Assistance Program to provide outreach and business management education to small				
11	farmers.				
12	D. All appropriation not otherwise obligated in this Item may be used for any Extension				
13	related activities or operational expenses.				
14	Total for Cooperative Extension and Agricultural				
15	Research Services.....			\$14,390,198	<del>\$14,390,198</del>
16					\$16,176,487
17	General Fund Positions.....	45.75	45.75		
18	Nongeneral Fund Positions.....	67.00	67.00		
19	Position Level.....	112.75	112.75		
20	Fund Sources: General.....	\$7,310,969	<del>\$7,310,969</del>		
21			\$9,097,258		
22	Higher Education Operating.....	\$7,079,229	\$7,079,229		
23	Grand Total for Virginia State University.....			\$226,006,935	<del>\$230,680,757</del>
24					\$232,467,046
25	General Fund Positions.....	430.22	437.22		
26	Nongeneral Fund Positions.....	556.89	556.89		
27	Position Level.....	987.11	994.11		
28	Fund Sources: General.....	\$87,711,684	<del>\$92,385,506</del>		
29			\$94,171,795		
30	Higher Education Operating.....	\$127,962,706	\$127,962,706		
31	Debt Service.....	\$10,332,545	\$10,332,545		
32	234. Not set out.				
33	235. Not set out.				
34	236. Not set out.				
35	237. Not set out.				
36	238. Not set out.				
37	239. Not set out.				
38	240. Not set out.				
39	241. Not set out.				
40	242. Not set out.				
41	243. Not set out.				
42	244. Not set out.				

ITEM 245.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	245.	Not set out.				
2	246.	Not set out.				
3	247.	Not set out.				
4	248.	Not set out.				
5	249.	Not set out.				
6	250.	Not set out.				
7	251.	Not set out.				
8	252.	Not set out.				
9	253.	Not set out.				
10	254.	Not set out.				
11	255.	Not set out.				
12	255.5	Not set out.				
13	256.	Not set out.				
14	TOTAL FOR OFFICE OF EDUCATION.....				<b>\$25,017,458,739</b>	<b>\$25,544,561,801</b>
15						<b>\$25,353,222,682</b>
16	General Fund Positions.....		19,180.05	19,206.05		
17	Nongeneral Fund Positions.....		42,987.70	43,029.70		
18	Position Level.....		62,167.75	62,235.75		
19	Fund Sources: General.....		\$12,184,375,139	<del>\$12,574,568,809</del>		
20				<del>\$12,293,741,667</del>		
21	Special.....		\$48,882,675	\$48,897,675		
22	Higher Education Operating.....		\$10,090,357,864	\$10,200,085,611		
23	Commonwealth Transportation.....		\$1,643,154	\$1,779,084		
24	Enterprise.....		\$7,479,910	\$7,479,910		
25	Trust and Agency.....		\$862,848,940	<del>\$889,879,655</del>		
26				<del>\$979,367,678</del>		
27	Debt Service.....		\$363,620,626	\$363,620,626		
28	Dedicated Special Revenue.....		\$18,969,569	\$18,969,569		
29	Federal Trust.....		\$1,439,280,862	\$1,439,280,862		

ITEM 257.	Item Details(\$)		Appropriations(\$)	
	First Year	Second Year	First Year	Second Year
	FY2023	FY2024	FY2023	FY2024
<b>1</b>	<b>OFFICE OF FINANCE</b>			
<b>2</b>	257.	Not set out.		
<b>3</b>	258.	Not set out.		
<b>4</b>	259.	Not set out.		
<b>5</b>	260.	Not set out.		
<b>6</b>	261.	Not set out.		
<b>7</b>	262.	Not set out.		
<b>8</b>	263.	Not set out.		
<b>9</b>	264.	Not set out.		
<b>10</b>	265.	Not set out.		
<b>11</b>	266.	Not set out.		
<b>12</b>	267.	Not set out.		
<b>13</b>	267.1	Not set out.		
<b>14</b>	268.	Not set out.		
<b>15</b>	269.	Not set out.		
<b>16</b>	270.	Not set out.		
<b>17</b>	271.	Not set out.		
<b>18</b>	272.	Not set out.		
<b>19</b>	273.	Not set out.		
<b>20</b>	274.	Not set out.		
<b>21</b>	275.	Not set out.		
<b>22</b>	276.	Not set out.		
<b>23</b>	277.	Not set out.		
<b>24</b>	278.	Not set out.		
<b>25</b>	279.	Not set out.		
<b>26</b>	<b>§ 1-8. TREASURY BOARD (155)</b>			
<b>27</b>	280.	Bond and Loan Retirement and Redemption		
<b>28</b>		(74300).....	\$991,805,056	\$1,031,659,380
<b>29</b>				\$1,009,928,311

ITEM 280.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Debt Service Payments on General Obligation Bonds				
2	(74301).....	\$56,028,916	\$51,320,292		
3	Debt Service Payments on Public Building Authority				
4	Bonds (74303).....	\$370,973,321	<del>\$377,655,887</del>		
5			\$358,558,912		
6	Debt Service Payments on College Building				
7	Authority Bonds (74304).....	\$564,802,819	<del>\$602,683,201</del>		
8			\$600,049,107		
9	Fund Sources: General.....	\$954,233,341	<del>\$994,591,558</del>		
10			\$973,117,692		
11	Higher Education Operating.....	\$31,526,576	\$31,526,576		
12	Dedicated Special Revenue.....	\$645,000	\$645,000		
13	Federal Trust.....	\$5,400,139	<del>\$4,896,246</del>		
14			\$4,639,043		
15	Authority: Title 2.2, Chapter 18, Code of Virginia; Article X, Section 9, Constitution of				
16	Virginia.				
17	A. The Director, Department of Planning and Budget is authorized to transfer appropriations				
18	between Items in the Treasury Board to address legislation affecting the Treasury Board				
19	passed by the General Assembly.				
20	B.1. Out of the amounts for Debt Service Payments on General Obligation Bonds, the				
21	following amounts are hereby appropriated from the general fund for debt service on general				
22	obligation bonds issued pursuant to Article X, Section 9 (b), of the Constitution of Virginia:				
23	Series	FY 2023		FY 2024	
24		General Fund	Federal Funds	General Fund	Federal Funds
25	2012 Refunding	\$17,767,000	\$0	\$14,463,750	\$0
26	2013 Refunding	\$19,501,000	\$0	\$18,774,000	\$0
27	2015B Refunding	\$12,230,750	\$0	\$11,786,000	\$0
28	2016B Refunding	\$5,161,450	\$0	\$5,000,450	\$0
29	2019C Refunding	\$1,268,716	\$0	\$1,196,092	\$0
30	Projected debt service &	\$100,000	\$0	\$100,000	\$0
31	expenses				
32	Total Service Area	\$56,028,916	\$0	\$51,320,292	\$0
33	2. Out of the amounts for Debt Service Payments on General Obligation Bonds, sums needed				
34	to fund issuance costs and other expenses are hereby appropriated.				
35	C.1. Out of the amounts for Debt Service Payments on Virginia Public Building Authority				
36	Bonds shall be paid to the Virginia Public Building Authority the following amounts for use				
37	by the authority for its various bond issues:				
38	Series	FY 2023		FY 2024	
39		General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
40	2010B	\$23,922,713	\$2,696,461	<del>\$19,842,211</del>	\$2,459,268
41				\$21,971,373	<del>\$2,343,731</del>
42	2012A Refunding	\$16,553,925	\$0	\$10,520,650	\$0
43	2013A	\$8,823,400	\$0	<del>\$8,825,750</del>	\$0
44				\$8,748,200	
45	2013B Refunding	\$17,247,625	\$0	\$12,228,250	\$0
46	2014A	\$8,481,150	\$645,000	<del>\$8,480,275</del>	\$645,000
47				\$8,415,675	
48	2014B	\$2,013,408	\$0	\$2,012,761	\$0
49	2014C Refunding	\$17,370,525	\$0	<del>\$22,389,650</del>	\$0
50				\$22,366,550	
51	2015A	\$17,342,870	\$0	<del>\$17,343,745</del>	\$0

ITEM 280.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1					\$17,297,345	
2	2015B Refunding	\$11,268,775	\$0	\$11,264,525		\$0
3				\$11,259,575		
4	2016A	\$14,387,675	\$0	\$14,384,800		\$0
5				\$14,376,850		
6	2016B Refunding	\$17,811,525	\$0	\$32,051,025		\$0
7				\$31,952,825		
8	2016C	\$11,655,625	\$0	\$11,656,125		\$0
9	2016D	\$906,532	\$0	\$904,132		\$0
10	2017A Refunding	\$19,100,475	\$0	\$6,088,100		\$0
11				\$5,899,700		
12	2018A	\$11,748,844	\$0	\$11,747,344		\$0
13				\$11,743,744		
14	2018B	\$1,233,290	\$0	\$1,230,990		\$0
15	2019A	\$13,437,750	\$0	\$13,437,625		\$0
16				\$13,434,025		
17	2019B	\$10,155,400	\$0	\$10,157,150		\$0
18	2019C	\$5,326,052	\$0	\$5,197,302		\$0
19	2020A	\$15,723,325	\$0	\$15,723,825		\$0
20				\$15,719,425		
21	2020B Refunding	\$26,566,625	\$0	\$33,499,500		\$0
22				\$33,375,250		
23	2020C	\$6,621,668	\$0	\$6,618,510		\$0
24	2021A	\$38,485,750	\$0	\$38,486,250		\$0
25	2021B Refunding	\$1,183,232	\$0	\$1,185,309		\$0
26	2022A	\$0	\$0	\$33,094,425		\$0
27	2022B	\$0	\$0	\$5,467,790		\$0
28	Projected debt service	\$19,263,701	\$0	\$59,275,815		\$0
29	and expenses			\$250,000		
30	<b>Total Service Area</b>	<b>\$336,631,860</b>	<b>\$3,341,461</b>	<b>\$374,551,619</b>		<b>\$3,104,268</b>
31				<b>\$355,570,181</b>		<b>\$2,988,731</b>

b. Out of this appropriation and in conjunction with any proposed disposition or transfer of the Eastern Shore Farmers Market, including the Market Office Building at 18491 Garey Road and the Produce Warehouse at 18513 Garey Road, Melfa, Virginia 23410, and the Seafood Market Building located at 18555 Garey Road, Melfa, Virginia 23410, by the Virginia Department of Agriculture and Consumer Services as set forth in § 3-1.01 II, up to \$6,000,000 the first year and \$0 the second year from the general fund is provided for remediation available under federal law in order to maintain tax-advantaged status on bonds that financed the construction, improvement and equipping of such facilities.

2.a. Funding is included in this Item for the Commonwealth's reimbursement of a portion of the approved capital costs as determined by the State Board of Local and Regional Jails and other interest costs as provided in §§ 53.1-80 through 53.1-82.2 of the Code of Virginia, for the following:

		Commonwealth Share of Approved Capital Costs
44	<b>Project</b>	
45		
46	Prince William - Manassas Regional Jail	\$21,032,421
47	Middle River Regional Jail - Expansion and Renovation	\$24,125,430
48	Henry County Jail	\$18,759,878
49	Prince William - Manassas Regional Jail Expansion	\$678,387
50	Riverside Regional Jail	\$807,447
51	Fairfax County Adult Detention Center - Security and	\$14,479,670
52	Mechanical Upgrades	

ITEM 280.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	<b>Total Approved Capital Costs</b>				<b>\$79,883,233</b>
2					<b>\$55,757,803</b>
3	b. The Commonwealth's share of the total construction cost of the projects listed in the table in paragraph C.2.a. shall not exceed the amount listed for each project. Reimbursement of the Commonwealth's portion of the construction costs of these projects shall be subject to the approval of the Department of Corrections of the final expenditures.				
4					
5					
6					
7	c. This paragraph shall constitute the authority for the Virginia Public Building Authority to issue bonds for the foregoing projects pursuant to § 2.2-2261 of the Code of Virginia.				
8					
9	<i>d. Authority for the Virginia Public Building Authority to fund the Middle River Regional Jail - Expansion and Renovation project as authorized in Item 288 D.2. of Chapter 552, 2021 Acts of Assembly, Special Session I, is hereby rescinded.</i>				
10					
11					
12	D.1. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds shall be paid to the Virginia College Building Authority the following amounts for use by the Authority for payments on obligations issued for financing authorized projects under the 21st Century College Program:				
13					
14					
15					
16	<b>Series</b>	<b>FY 2023</b>		<b>FY 2024</b>	
17	2009E Refunding	\$26,968,250		\$18,611,250	
18	2010B	\$26,774,791		<del>\$26,507,791</del>	
19				\$27,993,592	
20	2012B	\$399,100		\$399,100	
21	2013 A	\$13,340,250		\$0	
22	2014A	\$15,938,850		<del>\$15,935,600</del>	
23				\$13,489,800	
24	2014B Refunding	\$195,400		\$195,400	
25	2015A	\$24,058,450		<del>\$13,643,950</del>	
26				\$9,755,550	
27	2015B Refunding	\$27,425,391		\$27,424,266	
28	2015D	\$16,311,785		<del>\$26,726,035</del>	
29				\$26,257,435	
30	2016A	\$19,476,100		<del>\$19,475,850</del>	
31				\$16,797,150	
32	2016B Refunding	\$1,972,000		\$1,972,000	
33	2016C	\$4,428,901		\$4,430,471	
34	2017B Refunding	\$22,352,250		\$23,841,000	
35	2017C	\$31,464,000		\$31,465,750	
36	2017D	\$11,318,456		\$11,317,964	
37	2017E Refunding	\$54,799,500		\$67,187,000	
38	2019A	\$31,124,100		\$31,124,850	
39	2019B	\$9,982,750		\$9,986,250	
40	2019C Refunding	\$29,062,500		\$29,064,000	
41	2020A & B	\$22,690,545		<del>\$22,689,935</del>	
42				\$20,156,200	
43	2020B Refunding	\$7,867,830		<del>\$7,868,280</del>	
44				\$6,441,196	
45	2021A	\$32,911,050		\$32,914,050	
46	2022A	\$0		\$24,259,663	
47	2022B Refunding	\$0		\$18,547,409	
48	2023A	\$0		\$41,846,555	
49	2023B	\$0		\$11,156,299	
50	Projected 21st Century debt service & expenses	\$44,114,110		<del>\$87,830,508</del>	
51				\$250,000	
52	<b>Subtotal 21st Century</b>	<b>\$474,976,358</b>		<b>\$510,611,299</b>	



ITEM 280.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1					\$506,884,200
2	2. Out of the amounts for Debt Service Payments on Virginia College Building Authority				
3	Bonds shall be paid to the Virginia College Building Authority the following amounts for				
4	the payment of debt service on authorized bond issues to finance equipment:				
5	<b>Series</b>	<b>FY 2023</b>			<b>FY 2024</b>
6	2016A	\$11,067,000			\$0
7	2017A	\$14,939,000			\$14,941,500
8	2018A	\$12,866,750			\$12,866,000
9	2019A	\$12,568,750			\$12,571,750
10	2020A	\$12,061,250			\$12,063,750
11	2021A	\$12,516,000			\$12,514,000
12	2022A	\$0			\$13,807,250
13	2023A	\$0			\$14,400,657
14	Projected debt service & expenses	\$13,807,710			\$27,114,901
15					\$0
16	Subtotal Equipment	\$89,826,460			\$92,071,901
17					\$93,164,907
18	<b>Total Service Area</b>	<b>\$564,802,818</b>			<b>\$602,683,200</b>
19					<b>\$600,049,107</b>
20	3. Beginning with the FY 2008 allocation of the higher education equipment trust fund,				
21	the Treasury Board shall amortize equipment purchases at seven years, which is consistent				
22	with the useful life of the equipment.				
23	4. Out of the amounts for Debt Service Payments on Virginia College Building Authority				
24	Bonds, the following nongeneral fund amounts from a capital fee charged to out-of-state				
25	students at institutions of higher education shall be paid to the Virginia College Building				
26	Authority in each year for debt service on bonds issued under the 21st Century Program:				
27	<b>Institution</b>	<b>FY 2023</b>			<b>FY 2024</b>
28	George Mason University	\$2,804,490			\$2,804,490
29	Old Dominion University	\$1,108,899			\$1,108,899
30	University of Virginia	\$5,006,754			\$5,006,754
31	Virginia Polytechnic Institute and State	\$5,192,295			\$5,192,295
32	University				
33	Virginia Commonwealth University	\$2,359,266			\$2,359,266
34	College of William and Mary	\$1,639,845			\$1,639,845
35	Christopher Newport University	\$131,508			\$131,508
36	University of Virginia's College at Wise	\$48,330			\$48,330
37	James Madison University	\$2,843,787			\$2,843,787
38	Norfolk State University	\$420,789			\$420,789
39	Longwood University	\$106,149			\$106,149
40	University of Mary Washington	\$234,834			\$234,834
41	Radford University	\$300,486			\$300,486
42	Virginia Military Institute	\$400,470			\$400,470
43	Virginia State University	\$773,577			\$773,577
44	Richard Bland College	\$10,830			\$10,830
45	Virginia Community College System	\$3,301,665			\$3,301,665
46	<b>TOTAL</b>	<b>\$26,683,974</b>			<b>\$26,683,974</b>
47	5. Out of the amounts for Debt Service Payments of College Building Authority Bonds,				
48	the following is the estimated general and nongeneral fund breakdown of each institution's				
49	share of the debt service on the Virginia College Building Authority bond issues to				
50	finance equipment. The nongeneral fund amounts shall be paid to the Virginia College				
51	Building Authority in each year for debt service on bonds issued under the equipment				

ITEM 280.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	program:				
2		FY 2023		FY 2024	
3	<b>Institution</b>	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>General Fund</b>	<b>Nongeneral Fund</b>
4	College of William & Mary	\$3,521,190	\$259,307	<del>\$3,991,903</del>	\$259,307
5				<del>\$2,988,012</del>	
6	University of Virginia	\$14,736,611	\$1,088,024	<del>\$16,021,183</del>	\$1,088,024
7				<del>\$13,584,069</del>	
8	Virginia Polytechnic Institute and State University	\$16,492,798	\$992,321	<del>\$16,776,273</del>	\$992,321
9				<del>\$13,419,326</del>	
10					
11	Virginia Military Institute	\$879,579	\$88,844	<del>\$894,058</del>	\$88,844
12				<del>\$1,150,897</del>	
13	Virginia State University	\$1,357,553	\$108,886	<del>\$1,379,234</del>	\$108,886
14				<del>\$1,743,312</del>	
15	Norfolk State University	\$1,518,993	\$108,554	<del>\$1,672,023</del>	\$108,554
16				<del>\$1,558,769</del>	
17	Longwood University	\$740,819	\$54,746	<del>\$756,993</del>	\$54,746
18				<del>\$965,613</del>	
19	University of Mary Washington	\$1,514,252	\$97,063	<del>\$1,744,813</del>	\$97,063
20				<del>\$851,721</del>	
21	James Madison University	\$2,449,435	\$254,504	<del>\$2,779,889</del>	\$254,504
22				<del>\$2,999,901</del>	
23	Radford University	\$986,8077	\$135,235	<del>\$992,742</del>	\$135,235
24				<del>\$2,266,497</del>	
25	Old Dominion University	\$3,739,565	\$374,473	<del>\$3,296,742</del>	\$374,473
26				<del>\$6,515,318</del>	
27	Virginia Commonwealth University	\$9,556,313	\$401,647	<del>\$9,437,485</del>	\$401,647
28				<del>\$8,901,628</del>	
29	Richard Bland College	\$172,947	\$2,027	<del>\$185,534</del>	\$2,027
30				<del>\$208,011</del>	
31	Christopher Newport University	\$860,248	\$17,899	<del>\$818,586</del>	\$17,899
32				<del>\$979,941</del>	
33	University of Virginia's College at Wise	\$248,072	\$19,750	<del>\$263,446</del>	\$19,750
34				<del>\$325,599</del>	
35	George Mason University	\$4,632,155	\$205,665	<del>\$4,638,315</del>	\$205,665
36				<del>\$5,126,621</del>	
37	Virginia Community College System	\$19,875,309	\$633,657	<del>\$19,776,368</del>	\$633,657
38				<del>\$22,855,399</del>	
39	Virginia Institute of Marine Science	\$588,799	\$0	<del>\$597,435</del>	\$0
40				<del>\$470,316</del>	
41	Roanoke Higher Education Authority	\$84,809	\$0	<del>\$86,063</del>	\$0
42				<del>\$100,821</del>	
43	Southwest Virginia Higher Education Center	\$87,527	\$0	<del>\$88,821</del>	\$0
44				<del>\$104,053</del>	
45	Institute for Advanced Learning and Research	\$299,553	\$0	<del>\$303,982</del>	\$0
46				<del>\$356,110</del>	
47	Southern Virginia Higher Education Center	\$104,658	\$0	<del>\$107,326</del>	\$0
48				<del>\$124,418</del>	
49	New College Institute	\$35,745	\$0	<del>\$38,640</del>	\$0
50				<del>\$44,792</del>	
51	Eastern Virginia Medical School	\$500,126	\$0	<del>\$581,448</del>	\$0
52				<del>\$681,159</del>	
53	<b>TOTAL</b>	<b>\$84,983,859</b>	<b>\$4,842,602</b>	<b><del>\$87,229,300</del></b>	<b>\$4,842,602</b>
54				<b><del>\$88,322,305</del></b>	

ITEM 280.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	E. Pursuant to various Payment Agreements between the Treasury Board and the				
2	Commonwealth Transportation Board, funds required to pay the debt service due on				
3	Commonwealth Transportation Board bonds shall be paid to the Trustee for the				
4	bondholders by the Treasury Board after transfer of these funds to the Treasury Board				
5	from the Commonwealth Transportation Board pursuant to Item 457, paragraph E of this				
6	act and §§ 33.2-2300, 33.2-2400, and 58.1-816.1, Code of Virginia.				
7	F. Under the authority of this act, an agency may transfer funds to the Treasury Board for				
8	use as lease, rental, or debt service payments to be used for any type of financing where				
9	the proceeds are used to acquire equipment and to finance associated costs, including but				
10	not limited to issuance and other financing costs. In the event such transfers occur, the				
11	transfers shall be deemed an appropriation to the Treasury Board for the purpose of				
12	making the lease, rental, or debt service payments described herein.				
13	G. Notwithstanding the provisions of 2.2-1156, Code of Virginia, if tax-exempt bonds				
14	were used by the Commonwealth or its authorities, boards, or institutions to finance the				
15	acquisition, construction, improvement or equipping of real property, proceeds from the				
16	subsequent sale or disposition of such property and any improvements may first be applied				
17	toward remediation options available under federal law in order to maintain the tax-				
18	exempt status of such bonds.				
19	H. Included in the appropriation for this item is an amount not to exceed \$25,000,000 in				
20	the first year from the general fund for defeasance of all outstanding bonds of the Central				
21	Virginia Training Center.				
22	281. Not set out.				
23	Total for Treasury Board.....			\$991,805,056	\$1,031,659,380
24					\$1,009,928,311
25	Fund Sources: General.....	\$954,233,341	\$994,591,558		
26			\$973,117,692		
27	Higher Education Operating.....	\$31,526,576	\$31,526,576		
28	Dedicated Special Revenue.....	\$645,000	\$645,000		
29	Federal Trust.....	\$5,400,139	\$4,896,246		
30			\$4,639,043		
31	282. Not set out.				
32	TOTAL FOR OFFICE OF FINANCE.....			\$4,212,409,064	\$3,567,445,007
33					\$3,545,713,938
34	General Fund Positions.....	1,125.70	1,125.70		
35	Nongeneral Fund Positions.....	223.30	223.30		
36	Position Level.....	1,349.00	1,349.00		
37	Fund Sources: General.....	\$3,461,885,230	\$2,813,813,529		
38			\$2,792,339,663		
39	Special.....	\$13,331,211	\$13,331,211		
40	Higher Education Operating.....	\$31,526,576	\$31,526,576		
41	Commonwealth Transportation.....	\$185,187	\$185,187		
42	Internal Service.....	\$53,183,632	\$56,770,082		
43	Trust and Agency.....	\$135,242,354	\$135,267,441		
44	Dedicated Special Revenue.....	\$511,654,735	\$511,654,735		
45	Federal Trust.....	\$5,400,139	\$4,896,246		
46			\$4,639,043		

ITEM 283.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
OFFICE OF HEALTH AND HUMAN RESOURCES				
§ 1-9. SECRETARY OF HEALTH AND HUMAN RESOURCES (188)				
283.	Not set out.			
Children's Services Act (200)				
284.	Protective Services (45300).....		\$385,591,773	<del>\$385,591,773</del> \$421,946,337
	Financial Assistance for Child and Youth Services (45303).....	\$385,591,773	<del>\$385,591,773</del> \$421,946,337	
	Fund Sources: General.....	\$327,959,444	<del>\$327,959,444</del> \$364,314,008	
	Federal Trust.....	\$57,632,329	\$57,632,329	
Authority: Title 2.2, Chapter 52, Code of Virginia.				
A. The Department of Education shall serve as fiscal agent to administer funds cited in paragraphs B and C.				
B.1.a. Out of this appropriation, \$269,287,579 the first year and \$269,287,579 the second year from the general fund and \$57,632,329 the first year and \$57,632,329 the second year from nongeneral funds shall be used for the state pool of funds pursuant to § 2.2-5211, Code of Virginia. This appropriation shall consist of a Medicaid pool allocation, and a non-Medicaid pool allocation.				
b. The Medicaid state pool allocation shall consist of \$31,214,350 the first year and \$31,214,350 the second year from the general fund and \$48,212,331 the first year and \$48,212,331 the second year from nongeneral funds. The Office of Children's Services will transfer these funds to the Department of Medical Assistance Services as they are needed to pay Medicaid provider claims.				
c. The non-Medicaid state pool allocation shall consist of \$238,073,229 the first year and \$238,073,229 the second year from the general fund and \$8,419,998 the first year and \$8,419,998 the second year from nongeneral funds. The nongeneral funds shall be transferred from the Department of Social Services.				
d. The Office of Children's Services, with the concurrence of the Department of Planning and Budget, shall have the authority to transfer the general fund allocation between the Medicaid and non-Medicaid state pools in the event that a shortage should exist in either of the funding pools.				
e. The Office of Children's Services, per the policy of the State Executive Council, shall deny state pool funding to any locality not in compliance with federal and state requirements pertaining to the provision of special education and foster care services funded in accordance with § 2.2-5211, Code of Virginia.				
2.a. Out of this appropriation, \$55,666,865 the first year and <del>\$55,666,865</del> \$92,321,429 the second year from the general fund and \$1,000,000 the first year and \$1,000,000 the second year from nongeneral funds shall be set aside to pay for the state share of supplemental requests from localities that have exceeded their state allocation for mandated services. The nongeneral funds shall be transferred from the Department of Social Services.				
b. In each year, the director of the Office of Children's Services may approve and obligate supplemental funding requests in excess of the amount in 2a above, for mandated pool fund expenditures up to 10 percent of the total general fund appropriation authority in B1a in this Item.				
c. The State Executive Council shall maintain local government performance measures to include, but not be limited to, use of federal funds for state and local support of the Children's				

ITEM 284.		Item Details(\$)		Appropriations(\$)	
		First Year	Second Year	First Year	Second Year
		FY2023	FY2024	FY2023	FY2024
1	Services Act.				
2	d. Pursuant to § 2.2-5200, Code of Virginia, Community Policy and Management Teams				
3	shall seek to ensure that services and funding are consistent with the Commonwealth's				
4	policies of preserving families and providing appropriate services in the least restrictive				
5	environment, while protecting the welfare of children and maintaining the safety of the				
6	public. Each locality shall submit to the Office of Children's Services information on				
7	utilization of residential facilities for treatment of children and length of stay in such				
8	facilities. By December 15 of each year, the Office of Children's Services shall report to				
9	the Governor and Chairmen of the House Appropriations and Senate Finance and				
10	Appropriations Committees on utilization rates and average lengths of stays statewide and				
11	for each locality.				
12	3. Each locality receiving funds for activities under the Children's Services Act (CSA)				
13	shall have a utilization management process, including a uniform assessment, approved by				
14	the State Executive Council, covering all CSA services. Utilizing a secure electronic site,				
15	each locality shall also provide information as required by the Office of Children's				
16	Services to include, but not be limited to case specific information, expenditures, number				
17	of youth served in specific CSA activities, length of stay for residents in core licensed				
18	residential facilities, and proportion of youth placed in treatment settings suggested by the				
19	uniform assessment instrument. The State Executive Council, utilizing this information,				
20	shall track and report on child specific outcomes for youth whose services are funded				
21	under the Children's Services Act. Only non-identifying demographic, service, cost and				
22	outcome information shall be released publicly. Localities requesting funding from the set				
23	aside in paragraph 2.a. and 2.b. must demonstrate compliance with all CSA provisions to				
24	receive pool funding.				
25	4. The Secretary of Health and Human Resources, in consultation with the Secretary of				
26	Education and the Secretary of Public Safety and Homeland Security, shall direct the				
27	actions for the Departments of Social Services, Education, and Juvenile Justice, Medical				
28	Assistance Services, Health, and Behavioral Health and Developmental Services, to				
29	implement, as part of ongoing information systems development and refinement, changes				
30	necessary for state and local agencies to fulfill CSA reporting needs.				
31	5. The State Executive Council shall provide localities with technical assistance on ways				
32	to control costs and on opportunities for alternative funding sources beyond funds				
33	available through the state pool.				
34	6. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the				
35	general fund is provided for a combination of regional and statewide meetings for				
36	technical assistance to local community policy and management teams, family assessment				
37	and planning teams, and local fiscal agents. Training shall include, but not be limited to,				
38	cost containment measures, building community-based services, including creation of				
39	partnerships with private providers and non-profit groups, utilization management, use of				
40	alternate revenue sources, and administrative and fiscal issues. A state-supported				
41	institution of higher education, in cooperation with the Virginia Association of Counties,				
42	the Virginia Municipal League, and the State Executive Council, may assist in the				
43	provisions of this paragraph. A training plan shall be presented to and approved by the				
44	State Executive Council before the beginning of each fiscal year. A training calendar and				
45	timely notice of programs shall be provided to Community Policy and Management				
46	Teams and family assessment and planning team members statewide as well as to local				
47	fiscal agents and chief administrative officers of cities and counties. A report on all				
48	regional and statewide training sessions conducted during the fiscal year, including (i) a				
49	description of each program and trainers, (ii) the dates of the training and the number of				
50	attendees for each program, (iii) a summary of evaluations of these programs by attendees,				
51	and (iv) the funds expended, shall be made to the Chairmen of the House Appropriations				
52	and Senate Finance and Appropriations Committees and to the members of the State				
53	Executive Council by December 1 of each year. Any funds unexpended for this purpose in				
54	the first year shall be reappropriated for the same use in the second year.				
55	7. Out of this appropriation, \$70,000 the first year and \$70,000 the second year from the				
56	general fund is provided for the Office of Children's Services to contract for the support of				
57	uniform CSA reporting requirements.				

ITEM 284.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	8. The State Executive Council shall require a uniform assessment instrument.				
2	9. The Office of Children's Services, in conjunction with the Department of Social Services,				
3	shall determine a mechanism for reporting Temporary Assistance for Needy Families				
4	Maintenance of Effort eligible costs incurred by the Commonwealth and local governments				
5	for the Children's Services Act.				
6	10. For purposes of defining cases involving only the payment of foster care maintenance,				
7	pursuant to § 2.2-5209, Code of Virginia, the definition of foster care maintenance used by				
8	the Virginia Department of Social Services for federal Title IV-E shall be used.				
9	C. The funding formula to carry out the provisions of the Children's Services Act is as				
10	follows:				
11	1. Allocations. The allocations for the Medicaid and non-Medicaid pools shall be the amounts				
12	specified in paragraphs B.1.b. and B.1.c. in this Item. These funds shall be distributed to each				
13	locality in each year of the biennium based on the greater of that locality's percentage of				
14	actual 1997 Children's Services Act pool fund program expenditures to total 1997 pool fund				
15	program expenditures or the latest available three-year average of actual pool fund program				
16	expenditures as reported to the state fiscal agent.				
17	2. Local Match. All localities are required to appropriate a local match for the base year				
18	funding consisting of the actual aggregate local match rate based on actual total 1997 program				
19	expenditures for the Children's Services Act. This local match rate shall also apply to all				
20	reimbursements from the state pool of funds in this Item and carryforward expenditures				
21	submitted prior to September 30 each year for the preceding fiscal year, including				
22	administrative reimbursements under paragraph C.4. in this Item.				
23	3.a. Notwithstanding the provisions of C.2. of this Item, beginning July 1, 2008, the local				
24	match rate for community based services for each locality shall be reduced by 50 percent.				
25	b. Localities shall review their caseloads for those individuals who can be served				
26	appropriately by community-based services and transition those cases to the community for				
27	services. Beginning July 1, 2009, the local match rate for non-Medicaid residential services				
28	for each locality shall be 25 percent above the fiscal year 2007 base. Beginning July 1, 2011,				
29	the local match rate for Medicaid residential services for each locality shall be 25 percent				
30	above the fiscal year 2007 base.				
31	c. By December 1 of each year, The State Executive Council (SEC) shall provide an update to				
32	the Governor and the Chairmen of the House Appropriations and Senate Finance and				
33	Appropriations Committees on the outcomes of this initiative.				
34	d. At the direction of the State Executive Council, local Community Policy and Management				
35	Teams (CPMTs) and Community Services Boards (CSBs) shall work collaboratively in their				
36	service areas to develop a local plan for intensive care coordination (ICC) services that best				
37	meets the needs of the children and families. If there is more than one CPMT in the CSB's				
38	service area, the CPMTs and the CSB may work together as a region to develop a plan for				
39	ICC services. Local CPMTs and CSBs shall also work together to determine the most				
40	appropriate and cost-effective provider of ICC services for children in their community who				
41	are placed in, or at-risk of being placed in, residential care through the Children's Services				
42	Act, in accordance with guidelines developed by the State Executive Council. The State				
43	Executive Council and Office of Children's Services shall establish guidelines for reasonable				
44	rates for ICC services and provide training and technical assistance to CPMTs and fiscal				
45	agents regarding these services.				
46	e. The local match rate for all non-Medicaid services provided in the public schools after June				
47	30, 2011 shall equal the fiscal year 2007 base.				
48	4. Local Administrative Costs. Out of this appropriation, an amount equal to two percent of				
49	the fiscal year 1997 pool fund allocations, not to exceed \$2,560,000 the first year and				
50	\$2,560,000 the second year from the general fund, shall be allocated among all localities for				
51	administrative costs. Every locality shall be required to appropriate a local match based on the				
52	local match contribution in paragraph C.2. of this Item. Inclusive of the state allocation and				
53	local matching funds, every locality shall receive the larger of \$12,500 or an amount equal to				
54	two percent of the total pool allocation. Localities are encouraged to use administrative				

ITEM 284.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	funding to hire a full-time or part-time local coordinator for the Children's Services Act				
2	program. Localities may pool this administrative funding to hire regional coordinators.				
3	5. Definition. For purposes of the funding formula in the Children's Services Act,				
4	"locality" means city or county.				
5	D. Community Policy and Management Teams shall use Medicaid-funded services				
6	whenever they are available for the appropriate treatment of children and youth receiving				
7	services under the Children's Services Act. Effective July 1, 2009, pool funds shall not be				
8	spent for any service that can be funded through Medicaid for Medicaid-eligible children				
9	and youth except when Medicaid-funded services are unavailable or inappropriate for				
10	meeting the needs of a child.				
11	E. Pursuant to subdivision 3 of § <a href="#">2.2-5206</a> , Code of Virginia, Community Policy and				
12	Management Teams shall enter into agreements with the parents or legal guardians of				
13	children receiving services under the Children's Services Act. The Office of Children's				
14	Services shall be a party to any such agreement.				
15	F. The Office of Children's Services, in cooperation with the Department of Medical				
16	Assistance Services, shall provide technical assistance and training to assist residential and				
17	treatment foster care providers who provide Medicaid-reimbursable services through the				
18	Children's Services Act to become Medicaid-certified providers.				
19	G. The Office of Children's Services shall work with the State Executive Council and the				
20	Department of Medical Assistance Services to assist Community Policy and Management				
21	Teams in appropriately accessing a full array of Medicaid-funded services for Medicaid-				
22	eligible children and youth through the Children's Services Act, thereby increasing				
23	Medicaid reimbursement for treatment services and decreasing the number of denials for				
24	Medicaid services related to medical necessity and utilization review activities.				
25	H. Pursuant to subdivision 21 of § <a href="#">2.2-2648</a> , Code of Virginia, no later than December 20				
26	in the odd-numbered years, the State Executive Council shall biennially publish and				
27	disseminate to members of the General Assembly and Community Policy and				
28	Management Teams a progress report on services for children, youth, and families and a				
29	plan for such services for the succeeding biennium.				
30	I. Out of this appropriation, \$275,000 the first year and \$275,000 the second year from the				
31	general fund shall be used to purchase and maintain an information system to provide				
32	quality and timely child demographic, service, expenditure, and outcome data.				
33	J. The State Executive Council shall work with the Department of Education to ensure that				
34	funding in this Item is sufficient to pay for the educational services of students that have				
35	been placed in or admitted to state or privately operated psychiatric or residential				
36	treatment facilities to meet the educational needs of the students as prescribed in the				
37	student's Individual Educational Plan (IEP).				
38	K.1. The Office of Children's Services (OCS) shall report on funding for therapeutic foster				
39	care services including but not limited to the number of children served annually, average				
40	cost of care, type of service provided, length of stay, referral source, and ultimate				
41	disposition. In addition, the OCS shall provide guidance and training to assist localities in				
42	negotiating contracts with therapeutic foster care providers.				
43	2. The Office of Children's Services shall report on funding for special education day				
44	treatment and residential services, including but not limited to the number of children				
45	served annually, average cost of care, type of service provided, length of stay, referral				
46	source, and ultimate disposition.				
47	3. The Office of Children's Services shall report by December 1 of each year the				
48	information included in this paragraph to the Chairmen of the House Appropriations and				
49	Senate Finance and Appropriations Committees.				
50	L. Out of this appropriation, the Director, Office of Children's Services, shall allocate				
51	\$2,200,000 the first year and \$2,200,000 the second year from the general fund to				
52	localities for wrap-around services for students with disabilities as defined in the				
53	Children's Services Act policy manual.				

ITEM 284.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1		M. On or before June 30, 2024, the Director, Department of Planning and Budget, shall				
2		authorize the reversion to the general fund of \$36,100,000 from the FY 2023 surplus balances				
3		of this program.				
4	285.	Not set out.				
5		Total for Children's Services Act.....			\$388,331,762	<del>\$388,292,097</del>
6						\$424,646,661
7		General Fund Positions.....	16.00	16.00		
8		Position Level.....	16.00	16.00		
9		Fund Sources: General.....	\$330,699,433	<del>\$330,659,768</del>		
10				\$367,014,332		
11		Federal Trust.....	\$57,632,329	\$57,632,329		
12		Grand Total for Secretary of Health and Human			\$389,985,032	<del>\$389,195,367</del>
13		Resources.....				\$425,549,931
14						
15		General Fund Positions.....	21.00	21.00		
16		Position Level.....	21.00	21.00		
17		Fund Sources: General.....	\$332,352,703	<del>\$331,563,038</del>		
18				\$367,917,602		
19		Federal Trust.....	\$57,632,329	\$57,632,329		
20	286.	Not set out.				
21	287.	Not set out.				
22	288.	Not set out.				
23	289.	Not set out.				
24	290.	Not set out.				
25	291.	Not set out.				
26	292.	Not set out.				
27	293.	Not set out.				
28	294.	Not set out.				
29	295.	Not set out.				
30	296.	Not set out.				
31	297.	Not set out.				
32	298.	Not set out.				
33	299.	Not set out.				
34	300.	Not set out.				
35	301.	Not set out.				



ITEM 301.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	<b>§ 1-10. DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (602)</b>			
2	302.	Pre-Trial, Trial, and Appellate Processes (32100)....	\$15,654,501	<del>\$15,404,501</del>
3				\$11,755,894
4		Reimbursements for Medical Services Related to		
5		Involuntary Mental Commitments (32107).....	\$15,654,501	<del>\$15,404,501</del>
6				\$11,755,894
7		Fund Sources: General.....	\$15,654,501	<del>\$15,404,501</del>
8				\$11,755,894
9	Authority: § 37.2-809, Code of Virginia.			
10	A. Any balance, or portion thereof, in Reimbursements for Medical Services Related to			
11	Involuntary Mental Commitments (32107), may be transferred between Items 45, 46, 47,			
12	and 302 as needed, to address any deficits incurred for Involuntary Mental Commitments			
13	by the Supreme Court or the Department of Medical Assistance Services.			
14	B. Out of this appropriation, payments may be made to licensed health care providers for			
15	medical screening and assessment services provided to persons with mental illness while			
16	in emergency custody pursuant to § 37.2-808, Code of Virginia.			
17	C. To the extent that appropriations in this Item are insufficient, the Department of			
18	Planning and Budget shall transfer general fund appropriation, as needed, from Children's			
19	Health Insurance Program Delivery (44600), Medicaid Program Services (45600), and			
20	Medical Assistance Services for Low Income Children (46600), if available, into this			
21	Item.			
22	303.	Children's Health Insurance Program Delivery		
23		(44600).....	\$316,304,616	<del>\$336,473,568</del>
24				\$346,716,701
25		Reimbursements for Medical Services Provided		
26		Under the Family Access to Medical Insurance		
27		Security Plan (44602).....	\$314,560,653	<del>\$335,589,657</del>
28				\$345,882,368
29		CHIP Health Services Initiatives for Family		
30		Access to Medical Insurance Security Medical		
31		Services (44636).....	\$1,743,963	<del>\$883,911</del>
32				\$834,333
33		Fund Sources: General.....	\$94,180,970	<del>\$99,450,657</del>
34				\$100,529,318
35		Dedicated Special Revenue.....	\$14,065,627	\$14,065,627
36		Federal Trust.....	\$208,058,019	<del>\$222,957,284</del>
37				\$232,121,756
38	Authority: Title 32.1, Chapter 13, Code of Virginia; Title XXI, Social Security Act,			
39	Federal Code.			
40	A. Pursuant to Chapter 679, Acts of Assembly of 1997, the State Corporation Commission			
41	shall annually, on or before June 30, 1998, and each year thereafter, calculate the premium			
42	differential between: (i) 0.75 percent of the direct gross subscriber fee income derived			
43	from eligible contracts and (ii) the amount of license tax revenue generated pursuant to			
44	subdivision A 4 of § 58.1-2501 for the immediately preceding taxable year and notify the			
45	Comptroller of the Commonwealth to transfer such amounts to the Family Access to			
46	Medical Insurance Security Plan Trust Fund as established on the books of the State			
47	Comptroller.			
48	B. As a condition of this appropriation, revenues from the Family Access to Medical			
49	Insurance Security Plan Trust Fund, shall be used to match federal funds for the Children's			
50	Health Insurance Program.			
51	C. Every eligible applicant for health insurance as provided for in Title 32.1, Chapter 13,			
52	Code of Virginia, shall be enrolled and served in the program.			
53	D. To the extent that appropriations in this Item are insufficient, the Department of			
54	Planning and Budget shall transfer general fund appropriation, as needed, from Medicaid			

ITEM 303.		Item Details(\$)		Appropriations(\$)	
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1	Program Services (45600) and Medical Assistance Services for Low Income Children				
2	(46600), if available, into this Item to be used as state match for federal Title XXI funds.				
3	E. The Department of Medical Assistance Services shall make the monthly capitation				
4	payment to managed care organizations for the member months of each month in the first				
5	week of the subsequent month.				
6	F. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application				
7	thereof is declared by the United States Department of Health and Human Services or the				
8	Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation,				
9	such decisions shall not affect the validity of the remaining portions of this Item, which shall				
10	remain in force as if this Item had passed without the conflicting part, section, subsection,				
11	paragraph, clause, or phrase. Further, if the United States Department of Health and Human				
12	Services or the Centers for Medicare and Medicaid Services determines that the process for				
13	accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this				
14	Item is out of compliance or in conflict with federal law and regulation and recommends				
15	another method of accomplishing the same intent, the Director, Department of Medical				
16	Assistance Services, after consultation with the Attorney General, is authorized to pursue the				
17	alternative method.				
18	G. The Department of Medical Assistance Services shall seek federal authority through				
19	waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act to				
20	offer medically necessary treatment for substance use disorder in an Institution for Mental				
21	Diseases (IMD) for individuals enrolled in FAMIS MOMS, equivalent to such benefits				
22	offered to pregnant women under the Medicaid state plan and 1115 substance use disorder				
23	demonstration waiver. The department shall have the authority to promulgate emergency				
24	regulations to implement these amendments within 280 days or less from the enactment of				
25	this Act.				
26	H. The Department of Medical Assistance Services shall amend the Virginia Family Access				
27	to Medical Insurance Security (FAMIS) State Plan to allow for the payment of prenatal, labor				
28	and delivery, and postpartum care pursuant to provisions in Title XXI of the federal 2009				
29	CHIP Reauthorization Act that includes care of all children who upon birth will be U.S.				
30	citizens, U.S. nationals, or qualified aliens. The Department shall have the authority to				
31	implement this change effective July 1, 2021, or consistent with the effective date in the State				
32	Plan Amendment approved by the Centers for Medicare and Medicaid Services (CMS), and				
33	prior to completion of any regulatory process.				
34	I. 1. The Department of Medical Assistance Services is authorized to amend the FAMIS				
35	MOMS and FAMIS Select demonstration waiver (No. 21-W-00058/3) for FAMIS MOMS				
36	enrollees to add coverage for dental services to align with pregnant women's coverage under				
37	Medicaid.				
38	2. The Department of Medical Assistance Services is authorized to amend the State Plan				
39	under Title XXI of the Social Security Act to plan to allow enrollment for dependent children				
40	of state employees who are otherwise eligible for coverage.				
41	3. The department shall have authority to implement necessary changes upon federal approval				
42	and prior to the completion of any regulatory process undertaken in order to effect such				
43	changes.				
44	304. Medicaid Program Services (45600).....			\$19,756,373,008	\$22,082,853,471
45					\$21,730,949,005
46	Payments for Graduate Medical Education				
47	Residencies (45606).....	\$8,700,000	\$8,700,000		
48	Reimbursements to State-Owned Mental Health and				
49	Intellectual Disabilities Facilities (45607).....	\$53,851,250	\$61,635,858		
50	Reimbursements for Behavioral Health Services				
51	(45608).....	\$49,580,190	\$48,618,266		
52			\$32,609,931		
53	Reimbursements for Medical Services (45609).....	\$11,183,440,208	\$13,413,233,399		
54			\$11,979,632,554		
55	Reimbursements for Long-Term Care Services				
56	(45610).....	\$2,256,075,926	\$2,404,030,278		
57			\$2,338,216,574		

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		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Payments for Healthcare Coverage for Low-				
2	Income Uninsured Adults (45611).....	\$6,204,725,434	<del>\$6,146,635,670</del>		
3			\$7,310,154,088		
4	Fund Sources: General.....	\$5,540,834,071	<del>\$5,733,696,500</del>		
5			\$5,636,313,728		
6	Dedicated Special Revenue.....	\$1,658,810,460	<del>\$1,691,933,452</del>		
7			\$2,194,624,300		
8	Federal Trust.....	\$12,556,728,477	<del>\$14,657,223,519</del>		
9			\$13,900,010,977		
10	Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Title				
11	XIX, Social Security Act, Federal Code.				
12	A. Out of this appropriation, \$26,925,625 the first year and \$30,817,929 the second year				
13	from the general fund and \$26,925,625 the first year and \$30,817,929 the second year				
14	from the federal trust fund is provided for reimbursement to the institutions within the				
15	Department of Behavioral Health and Developmental Services.				
16	B.1. Included in this appropriation is \$2,032,933 the first year and <del>\$3,689,923</del> the second				
17	year from the general fund and \$21,221,692 the first year and <del>\$22,878,682</del> \$19,680,351				
18	the second year from nongeneral funds to reimburse the Virginia Commonwealth				
19	University Health System for indigent health care costs as reported by the hospital and				
20	adjusted by the department for indigent care savings related to Medicaid expansion. This				
21	funding is composed of disproportionate share hospital (DSH) payments, indirect medical				
22	education (IME) payments, and any Medicaid profits realized by the Health System.				
23	Payments made from the federal DSH fund shall be made in accordance with 42 USC				
24	1396r-4.				
25	2. Included in this appropriation is \$32,489,625 the first year and <del>\$35,204,906</del>				
26	<del>\$15,139,615</del> the second year from the general fund and \$47,204,403 the first year and				
27	<del>\$49,919,684</del> \$32,052,673 the second year from nongeneral funds to reimburse the				
28	University of Virginia Health System for indigent health care costs as reported by the				
29	hospital and adjusted by the department for indigent care savings related to Medicaid				
30	expansion. This funding is comprised of disproportionate share hospital (DSH) payments,				
31	indirect medical education (IME) payments, and any Medicaid profits realized by the				
32	Health System. Payments made from the federal DSH fund shall be made in accordance				
33	with 42 USC 1396r-4.				
34	3. The general fund amounts for the state teaching hospitals have been reduced to mirror				
35	the general fund impact of reduced and no inflation for inpatient services in prior years. It				
36	also includes reductions associated with prior year indigent care reductions. However, the				
37	nongeneral funds are appropriated. In order to receive the nongeneral funds in excess of				
38	the amount of the general fund appropriated, the health systems shall certify the public				
39	expenditures.				
40	4. The Department of Medical Assistance Service shall have the authority to increase				
41	Medicaid payments for Type One hospitals and physicians consistent with the				
42	appropriations to compensate for limits on disproportionate share hospital (DSH)				
43	payments to Type One hospitals that the department would otherwise make. In particular,				
44	the department shall have the authority to amend the State Plan for Medical Assistance to				
45	increase physician supplemental payments for physician practice plans affiliated with				
46	Type One hospitals up to the average commercial rate as demonstrated by University of				
47	Virginia Health System and Virginia Commonwealth University Health System, to change				
48	reimbursement for Graduate Medical Education to cover costs for Type One hospitals, to				
49	case mix adjust the formula for indirect medical education reimbursement for HMO				
50	discharges for Type One hospitals and to increase the adjustment factor for Type One				
51	hospitals to 1.0. The department shall have the authority to implement these changes prior				
52	to completion of any regulatory process undertaken in order to effect such change.				
53	5. Effective July 1, 2022, any hospitals acquired by or that become fully-owned by				
54	designated Type One hospitals shall be considered Type Two facilities for reimbursement				
55	including, but not limited to: Indirect Medical Education payments, Graduate Medical				
56	Education Payments, Direct Medical Education payments, Disproportionate Share				
57	Hospital payments, hospital rate-setting purposes, aggregated cost settlements, and				

ITEM 304.		Item Details(\$)		Appropriations(\$)	
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1	physician supplemental payments. Facilities acquired prior to July 1, 2022, by Type One				
2	hospitals shall continue to be designated as Type One hospitals for reimbursement purposes.				
3	C.1. The estimated revenue for the Virginia Health Care Fund is \$626,102,702 the first year				
4	and <del>\$696,209,925</del> \$667,708,970 the second year, to be used pursuant to the uses stated in §				
5	<a href="#">32.1-367</a> , Code of Virginia.				
6	2. Notwithstanding any other provision of law, revenues deposited to the Virginia Health Care				
7	Fund shall only be used as the state share of Medicaid unless specifically authorized by this				
8	Act.				
9	3. Notwithstanding § <a href="#">32.1-366</a> , Code of Virginia, the State Comptroller shall deposit 41.5				
10	percent of the Commonwealth's allocation of the Master Settlement Agreement with tobacco				
11	product manufacturers, as defined in § <a href="#">3.2-3100</a> , Code of Virginia, to the Virginia Health				
12	Care Fund.				
13	4. The state share, not including hospital assessment dollars, of any repayment by managed				
14	care organizations resulting from exceeding their profit caps for not meeting the medical loss				
15	ratios pursuant to their contracts with the Department of Medical Assistance Services, shall be				
16	deposited to the Health Care Fund.				
17	D. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application				
18	thereof is declared by the United States Department of Health and Human Services or the				
19	Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation,				
20	such decisions shall not affect the validity of the remaining portions of this Item, which shall				
21	remain in force as if this Item had passed without the conflicting part, section, subsection,				
22	paragraph, clause, or phrase. Further, if the United States Department of Health and Human				
23	Services or the Centers for Medicare and Medicaid Services determines that the process for				
24	accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this				
25	Item is out of compliance or in conflict with federal law and regulation and recommends				
26	another method of accomplishing the same intent, the Director, Department of Medical				
27	Assistance Services, after consultation with the Attorney General, is authorized to pursue the				
28	alternative method.				
29	E.1. At least 45 days prior to the submission of any State Plan or waiver amendment or				
30	renewal of such, to the Centers for Medicare and Medicaid Services (CMS) or change in the				
31	contracts with managed care organizations (MCO) that may impact the capitation rates, the				
32	Department of Medical Assistance Services (DMAS) shall provide written notification to the				
33	Director, Department of Planning and Budget as to the purpose of such change. This notice				
34	shall also assess whether the amendment will require any future state regulatory action or				
35	expenditure beyond that which is appropriated in this Act. If the Department of Planning and				
36	Budget, after review of the proposed change, determines that it may likely result in a material				
37	fiscal impact on the general fund, for which no legislative appropriation has been provided,				
38	then the Department of Medical Assistance Services shall delay the proposed change until the				
39	General Assembly authorizes such action and notify the Chairs of the House Appropriations				
40	and Senate Finance and Appropriations Committees of such action.				
41	2. Effective July 1, 2022, the Department of Medical Assistance Services shall have the				
42	authority to include modifications to the Cardinal Care Managed Care Contract as necessary				
43	to implement actions specifically authorized through language included in this Act.				
44	3. The department shall track and report on compliance with NCQA response time standards				
45	for each MCO, broken down by service type. Such tracking shall include: (i) How often total				
46	response time, from initial submittal until service authorization or denial, exceeds the NCQA				
47	standards; and (ii) How often appeals are filed, and of those, how often are services				
48	subsequently approved and how often they are denied. The department shall publish the data				
49	on these items on a quarterly basis to the department's website.				
50	4. The Department of Medical Assistance Services shall modify its contracts with managed				
51	care organizations to require annual reporting with regard to Medicaid Community Mental				
52	Health Rehabilitation Services on: (i) the number of providers in their network and their				
53	geographic locations; (ii) the total number of provider terminations by year since fiscal year				
54	2018 and the number terminated with and without cause; (iii) the localities the terminated				
55	providers served; and (iv) the number of Medicaid members the providers were serving prior				

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1	to termination of their provider contract. The department shall report this data annually,				
2	not later than November 1, to the Joint Subcommittee for Health and Human Resources				
3	Oversight.				
4	5. Cardinal Care Managed Care (formerly CCC Plus) plans shall upgrade their Medicare				
5	Dual Special Needs Plans (D-SNPs) to Fully Integrated Dual Eligible Special Needs Plans				
6	(FIDE-SNPs), unless otherwise prohibited to do so by federal rule.				
7	6. The Department of Medical Assistance Services shall amend the managed care				
8	contract(s) effective July 1, 2022 to create a blended rate model to merge capitation rates				
9	for those with third-party liability and those with no third party liability. The rate model				
10	shall be developed in a rate neutral and actuarial sound manner during the annual				
11	capitation calculation process. This change is subject to CMS rate approval.				
12	F.1. The Director, Department of Medical Assistance Services shall seek the necessary				
13	waivers from the United States Department of Health and Human Services to authorize the				
14	Commonwealth to cover health care services and delivery systems, as may be permitted				
15	by Title XIX of the Social Security Act, which may provide less expensive alternatives to				
16	the State Plan for Medical Assistance.				
17	2. At least 30 days prior to the submission of an application for any new waiver of Title				
18	XIX or Title XXI of the Social Security Act, the Department of Medical Assistance				
19	Services shall notify the Chairmen of the House Appropriations and Senate Finance and				
20	Appropriations Committees of such pending application and provide information on the				
21	purpose and justification for the waiver along with any fiscal impact. If the department				
22	receives an official letter from either Chairmen raising an objection about the waiver				
23	during the 30-day period, the department shall not submit the waiver application and shall				
24	request authority for such waiver as part of the normal legislative or budgetary process. If				
25	the department receives no objection, then the application may be submitted. Any waiver				
26	specifically authorized elsewhere in this Item is not subject to this provision. Waiver				
27	renewals are not subject to the provisions of this paragraph.				
28	3. The director shall promulgate such regulations as may be necessary to implement those				
29	programs which may be permitted by Titles XIX and XXI of the Social Security Act, in				
30	conformance with all requirements of the Administrative Process Act.				
31	G. To the extent that appropriations in this Item are insufficient, the Department of				
32	Planning and Budget shall transfer general fund appropriation, as needed, from Children's				
33	Health Insurance Program Delivery (44600) and Medical Assistance Services for Low				
34	Income Children (46600), if available, into this Item to be used as state match for federal				
35	Title XIX funds.				
36	H. Notwithstanding any other provision of law, any unexpended general fund				
37	appropriation remaining in this Item on the last day of each fiscal year shall revert to the				
38	general fund and shall not be reappropriated in the following fiscal year.				
39	I. It is the intent of the General Assembly that the medically needy income limits for the				
40	Medicaid program are adjusted annually to account for changes in the Consumer Price				
41	Index.				
42	J.1.a. As of July 1, 2021, the Community Living (CL) waiver authorizes 12,006 slots.				
43	b. As of July 1, 2021, the Family and Individuals Support (FIS) waiver authorizes 4,533				
44	slots.				
45	c. As of July 1, 2021, the Building Independence (BI) waiver authorizes 400 slots.				
46	2. Notwithstanding Chapters 228 and 303 of the 2009 Virginia Acts of Assembly and				
47	§32.1-323.2 of the Code of Virginia, the Department of Medical Assistance Services shall				
48	not add any slots to the Intellectual Disabilities Medicaid Waiver or the Individual and				
49	Family Developmental Disabilities and Support Medicaid Waiver other than those slots				
50	authorized specifically to support the Money Follows the Person Demonstration,				
51	individuals who are exiting state institutions, any slots authorized under Chapters 724 and				
52	729 of the 2011 Virginia Acts of Assembly or §37.2-319, Code of Virginia, or authorized				
53	elsewhere in this Act.				

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1	3. Upon approval by the Centers for Medicare and Medicaid Services of the application for				
2	renewal of the CL, FIS and BI waivers, expeditious implementation of any revisions shall be				
3	deemed an emergency situation pursuant to § 2.2-4002 of the Administrative Process Act.				
4	Therefore, to meet this emergency situation, the Department of Medical Assistance Services				
5	shall promulgate emergency regulations to implement the provisions of this Act.				
6	4.a. The Department of Medical Assistance Services (DMAS) shall amend the CL waiver to				
7	add 100 slots effective July 1, 2023 and 70 slots effective January 1, 2024. An amount				
8	estimated at \$6,726,806 the second year from the general fund and \$6,939,467 the second				
9	year from nongeneral funds is provided to cover the anticipated costs of the new slots.				
10	b. The Department of Medical Assistance Services (DMAS) shall amend the FIS waiver to				
11	add 500 slots effective July 1, 2023 and 430 slots effective January 1, 2024. An amount				
12	estimated at \$16,607,241 the second year from the general fund and \$17,139,763 the second				
13	year from nongeneral funds is provided to cover the anticipated costs of the new slots.				
14	c. The Department of Medical Assistance Services, in collaboration with the Department of				
15	Behavioral Health and Developmental Services, shall separately track all costs associated				
16	with the additional slots added in paragraphs J.4.a. and J.4.b. above. By December 1 of each				
17	year, the department shall report this data to the Chairmen of the House Appropriations and				
18	Senate Finance and Appropriations Committees and the Director, Department of Planning and				
19	Budget.				
20	K. The Department of Medical Assistance Services shall not require dentists who agree to				
21	participate in the delivery of Medicaid pediatric dental care services, or services provided to				
22	enrollees in the Family Access to Medical Insurance Security (FAMIS) Plan or any variation				
23	of FAMIS, to also deliver services to subscribers enrolled in commercial plans of the				
24	managed care vendor, unless the dentist is a willing participant in the commercial managed				
25	care plan.				
26	L. The Department of Medical Assistance Services shall implement continued enhancements				
27	to the drug utilization review (DUR) program. The department shall continue the Pharmacy				
28	Liaison Committee and the DUR Board. The department shall continue to work with the				
29	Pharmacy Liaison Committee, meeting at least semi-annually, to implement initiatives for the				
30	promotion of cost-effective services delivery as may be appropriate. The department shall				
31	solicit input from the Pharmacy Liaison Committee regarding pharmacy provisions in the				
32	development and enforcement of all managed care contracts. The Pharmacy Liaison				
33	Committee shall include a representative from the Virginia Community Healthcare				
34	Association to represent pharmacy operations and issues at federally qualified health centers				
35	in Virginia. The department shall report on the Pharmacy Liaison Committee's and the DUR				
36	Board's activities to the Board of Medical Assistance Services and to the Chairmen of the				
37	House Appropriations and Senate Finance and Appropriations Committees and the				
38	Department of Planning and Budget no later than December 15 each year of the biennium.				
39	M.1. The Department of Medical Assistance Services shall develop and pursue cost saving				
40	strategies internally and with the cooperation of the Department of Social Services, Virginia				
41	Department of Health, Office of the Attorney General, Children's Services Act program,				
42	Department of Education, Department of Juvenile Justice, Department of Behavioral Health				
43	and Developmental Services, Department for Aging and Rehabilitative Services, Department				
44	of the Treasury, University of Virginia Health System, Virginia Commonwealth University				
45	Health System Authority, Department of Corrections, federally qualified health centers, local				
46	health departments, local school divisions, community service boards, local hospitals, and				
47	local governments, that focus on optimizing Medicaid claims and cost recoveries. Any				
48	revenues generated through these activities shall be transferred to the Virginia Health Care				
49	Fund to be used for the purposes specified in this Item.				
50	2. The Department of Medical Assistance Services shall retain the savings necessary to				
51	reimburse a vendor for its efforts to implement paragraph M.1. of this Item. However, prior to				
52	reimbursement, the department shall identify for the Secretary of Health and Human				
53	Resources each of the vendor's revenue maximization efforts and the manner in which each				
54	vendor would be reimbursed. No reimbursement shall be made to the vendor without the prior				
55	approval of the above plan by the Secretary.				

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1	N. The Department of Medical Assistance Services shall have the authority to pay				
2	contingency fee contractors, engaged in cost recovery activities, from the recoveries that				
3	are generated by those activities. All recoveries from these contractors shall be deposited				
4	to a special fund. After payment of the contingency fee any prior year recoveries shall be				
5	transferred to the Virginia Health Care Fund. The Director, Department of Medical				
6	Assistance Services, shall report to the Chairmen of the House Appropriations and Senate				
7	Finance and Appropriations Committees the increase in recoveries associated with this				
8	program as well as the areas of audit targeted by contractors by November 1 each year.				
9	O. The Department of Medical Assistance Services in cooperation with the State				
10	Executive Council, shall provide semi-annual training to local Children's Services Act				
11	teams on the procedures for use of Medicaid for residential treatment and treatment foster				
12	care services, including, but not limited to, procedures for determining eligibility, billing,				
13	reimbursement, and related reporting requirements. The department shall include in this				
14	training information on the proper utilization of inpatient and outpatient mental health				
15	services as covered by the Medicaid State Plan.				
16	P.1. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, the Department of Medical				
17	Assistance Services, in consultation with the Department of Behavioral Health and				
18	Developmental Services, shall amend the State Plan for Medical Assistance Services to				
19	modify the delivery system of pharmaceutical products to include a Preferred Drug List.				
20	In developing the modifications, the department shall consider input from physicians,				
21	pharmacists, pharmaceutical manufacturers, patient advocates, and others, as appropriate.				
22	2.a. The department shall utilize a Pharmacy and Therapeutics Committee to assist in the				
23	development and ongoing administration of the Preferred Drug List program. The				
24	Pharmacy and Therapeutics Committee shall be composed of 8 to 12 members, including				
25	the Commissioner, Department of Behavioral Health and Developmental Services, or his				
26	designee. Other members shall be selected or approved by the department. The				
27	membership shall include a ratio of physicians to pharmacists of 2:1 and the department				
28	shall ensure that at least one-half of the physicians and pharmacists are either direct				
29	providers or are employed with organizations that serve recipients for all segments of the				
30	Medicaid population. Physicians on the committee shall be licensed in Virginia, one of				
31	whom shall be a psychiatrist, and one of whom specializes in care for the aging.				
32	Pharmacists on the committee shall be licensed in Virginia, one of whom shall have				
33	clinical expertise in mental health drugs, and one of whom has clinical expertise in				
34	community-based mental health treatment. The Pharmacy and Therapeutics Committee				
35	shall recommend to the department (i) which therapeutic classes of drugs should be				
36	subject to the Preferred Drug List program and prior authorization requirements; (ii)				
37	specific drugs within each therapeutic class to be included on the preferred drug list; (iii)				
38	appropriate exclusions for medications, including atypical anti-psychotics, used for the				
39	treatment of serious mental illnesses such as bi-polar disorders, schizophrenia, and				
40	depression; (iv) appropriate exclusions for medications used for the treatment of brain				
41	disorders, cancer and HIV-related conditions; (v) appropriate exclusions for therapeutic				
42	classes in which there is only one drug in the therapeutic class or there is very low				
43	utilization, or for which it is not cost-effective to include in the Preferred Drug List				
44	program; and (vi) appropriate grandfather clauses when prior authorization would				
45	interfere with established complex drug regimens that have proven to be clinically				
46	effective. In developing and maintaining the preferred drug list, the cost effectiveness of				
47	any given drug shall be considered only after it is determined to be safe and clinically				
48	effective.				
49	b. The Pharmacy and Therapeutics Committee shall schedule meetings at least semi-				
50	annually and may meet at other times at the discretion of the chairperson and members. At				
51	the meetings, the Pharmacy and Therapeutics committee shall review any drug in a class				
52	subject to the Preferred Drug List that is newly approved by the Federal Food and Drug				
53	Administration, provided there is at least thirty (30) days notice of such approval prior to				
54	the date of the quarterly meeting.				
55	3. The department shall establish a process for acting on the recommendations made by				
56	the Pharmacy and Therapeutics Committee, including documentation of any decisions				
57	which deviate from the recommendations of the committee.				



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1	4. The Preferred Drug List program shall include provisions for (i) the dispensing of a 72-				
2	hour emergency supply of the prescribed drug when requested by a physician and a				
3	dispensing fee to be paid to the pharmacy for such supply; (ii) prior authorization decisions to				
4	be made within 24 hours and timely notification of the recipient and/or the prescribing				
5	physician of any delays or negative decisions; (iii) an expedited review process of denials by				
6	the department; and (iv) consumer and provider education, training and information regarding				
7	the Preferred Drug List prior to implementation, and ongoing communications to include				
8	computer access to information and multilingual material.				
9	5. The Preferred Drug List program shall generate savings as determined by the department				
10	that are net of any administrative expenses to implement and administer the program.				
11	6. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, to implement these changes, the				
12	Department of Medical Assistance Services shall promulgate emergency regulations to				
13	become effective within 280 days or less from the enactment of this Act. With respect to such				
14	State Plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code of				
15	Virginia, shall not apply. In addition, the department shall work with the Department of				
16	Behavioral Health and Development Services to consider utilizing a Preferred Drug List				
17	program for its non-Medicaid clients.				
18	7. The Department of Medical Assistance Services shall (i) continually review utilization of				
19	behavioral health medications under the State Medicaid Program for Medicaid recipients; and				
20	(ii) ensure appropriate use of these medications according to federal Food and Drug				
21	Administration (FDA) approved indications and dosage levels. The department may also				
22	require retrospective clinical justification according to FDA approved indications and dosage				
23	levels for the use of multiple behavioral health drugs for a Medicaid patient. For individuals				
24	18 years of age and younger who are prescribed three or more behavioral health drugs, the				
25	department may implement clinical edits that target inefficient, ineffective, or potentially				
26	harmful prescribing patterns in accordance with FDA-approved indications and dosage levels.				
27	8. The Department of Medical Assistance Services shall ensure that in the process of				
28	developing the Preferred Drug List, the Pharmacy and Therapeutics Committee considers the				
29	value of including those prescription medications which improve drug regimen compliance,				
30	reduce medication errors, or decrease medication abuse through the use of medication				
31	delivery systems that include, but are not limited to, transdermal and injectable delivery				
32	systems.				
33	Q.1. The Department of Medical Assistance Services may amend the State Plan for Medical				
34	Assistance Services to modify the delivery system of pharmaceutical products to include a				
35	specialty drug program. In developing the modifications, the department shall consider input				
36	from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, the Pharmacy				
37	Liaison Committee, and others as appropriate.				
38	2. In developing the specialty drug program to implement appropriate care management and				
39	control drug expenditures, the department shall contract with a vendor who will develop a				
40	methodology for the reimbursement and utilization through appropriate case management of				
41	specialty drugs and distribute the list of specialty drug rates, authorized drugs and utilization				
42	guidelines to medical and pharmacy providers in a timely manner prior to the implementation				
43	of the specialty drug program and publish the same on the department's website.				
44	3. In the event that the Department of Medical Assistance Services contracts with a vendor,				
45	the department shall establish the fee paid to any such contractor based on the reasonable cost				
46	of services provided. The department may not offer or pay directly or indirectly any material				
47	inducement, bonus, or other financial incentive to a program contractor based on the denial or				
48	administrative delay of medically appropriate prescription drug therapy, or on the decreased				
49	use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who				
50	receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on				
51	the percentage of cost savings generated under the benefit management of services.				
52	4. The department shall: (i) review, update and publish the list of authorized specialty drugs,				
53	utilization guidelines, and rates at least quarterly; (ii) implement and maintain a procedure to				
54	revise the list or modify specialty drug program utilization guidelines and rates, consistent				
55	with changes in the marketplace; and (iii) provide an administrative appeals procedure to				
56	allow dispensing or prescribing providers to contest the listed specialty drugs and rates.				



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1	5. The department shall have authority to enact emergency regulations under § 2.2-4011 of				
2	the Administrative Process Act to effect these provisions.				
3	R.1. The Department of Medical Assistance Services shall reimburse school divisions who				
4	sign an agreement to provide administrative support to the Medicaid program and who				
5	provide documentation of administrative expenses related to the Medicaid program 50				
6	percent of the Federal Financial Participation by the department.				
7	2. The Department of Medical Assistance Services shall retain five percent of the Federal				
8	Financial Participation for reimbursement to school divisions for medical and				
9	transportation services.				
10	3. The Department shall amend the State Plan for Medical Assistance to allow payment of				
11	medical assistance services delivered to Medicaid-eligible students when such services				
12	qualify for reimbursement by the Virginia Medicaid program and may be provided by				
13	school divisions, regardless of whether the student receiving care has an individualized				
14	education program or whether the health care service is included in a student's				
15	individualized education program. Such services shall include those covered under the				
16	State Plan for medical assistance services or by the Early and Periodic Screening,				
17	Diagnostic, and Treatment (EPSDT) benefit as specified in § 1905(r) of the federal Social				
18	Security Act, and shall include a provision for payment of medical assistance for health				
19	care services provided through telemedicine services, as defined in § 38.2-3418.16. No				
20	health care provider who provides health care services through telemedicine shall be				
21	required to use proprietary technology or applications in order to be reimbursed for				
22	providing telemedicine services.				
23	S. In the event that the Department of Medical Assistance Services decides to contract for				
24	pharmaceutical benefit management services to administer, develop, manage, or				
25	implement Medicaid pharmacy benefits, the department shall establish the fee paid to any				
26	such contractor based on the reasonable cost of services provided. The department may				
27	not offer or pay directly or indirectly any material inducement, bonus, or other financial				
28	incentive to a program contractor based on the denial or administrative delay of medically				
29	appropriate prescription drug therapy, or on the decreased use of a particular drug or class				
30	of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug				
31	therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost				
32	savings generated under the benefit management of services.				
33	T. The Department of Medical Assistance Services, in cooperation with the Department of				
34	Social Services' Division of Child Support Enforcement (DSCE), shall identify and report				
35	third party coverage where a medical support order has required a custodial or				
36	noncustodial parent to enroll a child in a health insurance plan. The Department of				
37	Medical Assistance Services shall also report to the DCSE third party information that has				
38	been identified through their third party identification processes for children handled by				
39	DCSE.				
40	U.1. Notwithstanding the provisions of § 32.1-325.1:1, Code of Virginia, upon identifying				
41	that an overpayment for medical assistance services has been made to a provider, the				
42	Director, Department of Medical Assistance Services shall notify the provider of the				
43	amount of the overpayment. Such notification of overpayment shall be issued within the				
44	earlier of (i) four years after payment of the claim or other payment request, or (ii) four				
45	years after filing by the provider of the complete cost report as defined in the Department				
46	of Medical Assistance Services' regulations, or (iii) 15 months after filing by the provider				
47	of the final complete cost report as defined in the Department of Medical Assistance				
48	Services' regulations subsequent to sale of the facility or termination of the provider.				
49	2. Notwithstanding the provisions of § 32.1-325.1, Code of Virginia, the director shall				
50	issue an informal fact-finding conference decision concerning provider reimbursement in				
51	accordance with the State Plan for Medical Assistance, the provisions of § 2.2-4019, Code				
52	of Virginia, and applicable federal law. The informal fact-finding conference decision				
53	shall be issued within 180 days of the receipt of the appeal request, except as provided				
54	herein. If the agency does not render an informal fact-finding conference decision within				
55	180 days of the receipt of the appeal request or, in the case of a joint agreement to stay the				
56	appeal decision as detailed below, within the time remaining after the stay expires and the				

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1	appeal timeframes resume, the decision is deemed to be in favor of the provider. An appeal of				
2	the director's informal fact-finding conference decision concerning provider reimbursement				
3	shall be heard in accordance with § 2.2-4020 of the Administrative Process Act (§ 2.2-4020 et				
4	seq.) and the State Plan for Medical Assistance provided for in § 32.1-325, Code of Virginia.				
5	The Department of Medical Assistance Services and the provider may jointly agree to stay the				
6	deadline for the informal appeal decision or for the formal appeal recommended decision of				
7	the Hearing Officer for a period of up to sixty (60) days to facilitate settlement discussions. If				
8	the parties reach a resolution as reflected by a written settlement agreement within the sixty-				
9	day period, then the stay shall be extended for such additional time as may be necessary for				
10	review and approval of the settlement agreement in accordance § 2.2-514 of the Code of				
11	Virginia. Once a final agency case decision has been made, the director shall undertake full				
12	recovery of such overpayment whether or not the provider disputes, in whole or in part, the				
13	informal fact-finding conference decision or the final agency case decision. Interest charges				
14	on the unpaid balance of any overpayment shall accrue pursuant to § 32.1-313, Code of				
15	Virginia, from the date the Director's agency case decision becomes final.				
16	V.1. The Department of Medical Assistance Services shall delay the last quarterly payment of				
17	certain quarterly amounts paid to hospitals, from the end of each state fiscal year to the first				
18	quarter of the following year. Quarterly payments that shall be delayed from each June to				
19	each July shall be Disproportionate Share Hospital payments, Indirect Medical Education				
20	payments, and Direct Medical Education payments. The department shall have the authority				
21	to implement this reimbursement change effective upon passage of this Act, and prior to the				
22	completion of any regulatory process undertaken in order to effect such change.				
23	2. The Department of Medical Assistance Services shall make the monthly capitation payment				
24	to managed care organizations for the member months of each month in the first week of the				
25	subsequent month. The department shall have the authority to implement this reimbursement				
26	schedule change effective upon passage of this Act, and prior to the completion of any				
27	regulatory process undertaken in order to effect such change.				
28	3. In every June, the remittance that would normally be paid to providers on the last				
29	remittance date of the state fiscal year shall be delayed one week longer than is normally the				
30	practice. This change shall apply to the remittances of Medicaid and FAMIS providers. This				
31	change does not apply to providers who are paid a per-month capitation payment. The				
32	department shall have the authority to implement this reimbursement change effective upon				
33	passage of this Act, and prior to the completion of any regulatory process undertaken in order				
34	to effect such change.				
35	W. The Department of Medical Assistance Services shall impose an assessment equal to 6.0				
36	percent of revenue on all ICF-ID providers. The department shall determine procedures for				
37	collecting the assessment, including penalties for non-compliance. The department shall have				
38	the authority to adjust interim rates to cover new Medicaid costs as a result of this assessment.				
39	X.1. Effective July 1, 2021, the Department of Medical Assistance Services shall amend the				
40	State Plan for Medical Assistance to revise per diem rates paid to psychiatric residential				
41	treatment facilities (PRTF) using the provider's audited cost per day from the facility's cost				
42	report for provider fiscal years ending in state fiscal year 2018. New Virginia-based				
43	residential psychiatric facilities must submit proforma cost report data, which will be used to				
44	set the initial per diem rate for up to two years. After this period, the department shall				
45	establish a per diem rate based on an audited cost report for a 12-month period within the first				
46	two years of operation. Providers that do not submit cost reports shall be paid at 75% of the				
47	established rate ceiling. If necessary to enroll out-of-state providers for network adequacy, the				
48	department shall negotiate rates. If there is sufficient utilization, the department may require				
49	out-of-state providers to submit a cost report to establish a per diem rate. In-state and out-of-				
50	state provider per diem rates shall be subject to a ceiling based on the statewide weighted				
51	average cost per day from fiscal year 2018 cost reports. The department shall have the				
52	authority to implement these changes effective July 1, 2021, and prior to the completion of				
53	any regulatory process undertaken in order to effect such change.				
54	2. The Department of Medical Assistance Services shall have the authority to establish				
55	rebased of PRTF rates every three years. The first rebasing of rates shall take effect July 1,				
56	2023. All PRTF and Addiction and Rehabilitation Treatment Services (ARTS) providers who				
57	offer qualifying services under 12VAC30-70-418(C) shall be required to submit cost reports				

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1	as a part of rebasing. Out of state providers with more than 1,500 paid days for Virginia				
2	Medicaid members in the most recently completed state fiscal year shall also be required				
3	to submit a cost report. A rate ceiling shall be established based on a statewide weighted				
4	average cost per day. Rate ceilings shall be established independently for PRTFs and				
5	participating ARTS residential services. The department shall have the authority to				
6	implement these changes effective July 1, 2022 and prior to the completion of any				
7	regulatory process to effect such change.				
8	3. DMAS shall also establish inflation increases for each non-rebasing fiscal year for both				
9	PRTF and qualifying ARTS providers. Inflation rates shall be tied to the Nursing Facility				
10	Moving Average as established by IHS Markit (or its successor). The most recent four				
11	quarters will be averaged to create the PRTF inflation rate. The department shall have the				
12	authority to implement these changes effective July 1, 2023, and prior to the completion of				
13	any regulatory process to effect such change.				
14	4. Effective July 1, 2022, the department shall adjust PRTF rates by 8.89% to account for				
15	inflation since the last audited cost report of fiscal year 2018. The rate ceiling shall				
16	increase to \$460.89 per day. The department shall have the authority to implement these				
17	changes effective July 1, 2022, and prior to the completion of any regulatory process to				
18	effect such change.				
19	Y. The Department of Medical Assistance Services shall seek federal authority through				
20	the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the				
21	Social Security Act to merge the Commonwealth Coordinated Care Plus and Medallion				
22	4.0 managed care programs, effective July 1, 2022, into a single, streamlined managed				
23	care program that links seamlessly with the fee-for-service program, ensuring an efficient				
24	and well-coordinated Virginia Medicaid delivery system that provides high-quality care to				
25	its members and adds value for providers and the Commonwealth. The department shall				
26	have the authority to promulgate emergency regulations to implement these amendments				
27	within 280 days or less from the enactment of this Act. The department shall have				
28	authority to implement necessary changes upon federal approval and prior to the				
29	completion of any regulatory process undertaken in order to effect such change.				
30	Z. The Department of Medical Assistance Services (DMAS) shall have the authority to				
31	amend the State Plan for Medical Assistance to enroll and reimburse freestanding birthing				
32	centers accredited by the Commission for the Accreditation of Birthing Centers.				
33	Reimbursement shall be based on the Enhanced Ambulatory Patient Group methodology				
34	applied in a manner similar to the reimbursement methodology for ambulatory surgery				
35	centers. The department shall have authority to implement necessary changes upon federal				
36	approval and prior to the completion of any regulatory process undertaken in order to				
37	effect such change.				
38	AA. Effective July 1, 2013, the Department of Medical Assistance Services shall establish				
39	a Medicaid Physician and Managed Care Liaison Committee including, but not limited to,				
40	representatives from the following organizations: the Virginia Academy of Family				
41	Physicians; the American Academy of Pediatricians – Virginia Chapter; the Virginia				
42	College of Emergency Physicians; the American College of Obstetrics and Gynecology –				
43	Virginia Section; Virginia Chapter, American College of Radiology; the Psychiatric				
44	Society of Virginia; the Virginia Medical Group Management Association; and the				
45	Medical Society of Virginia. The committee shall also include representatives from each				
46	of the department's contracted managed care organizations and a representative from the				
47	Virginia Association of Health Plans. The committee will work with the department to				
48	investigate the implementation of quality, cost-effective health care initiatives, to identify				
49	means to increase provider participation in the Medicaid program, to remove				
50	administrative obstacles to quality, cost-effective patient care, and to address other matters				
51	as raised by the department or members of the committee. The committee shall establish				
52	an Emergency Department Care Coordination work group comprised of representatives				
53	from the committee, including the Virginia College of Emergency Physicians, the Medical				
54	Society of Virginia, the Virginia Hospital and Healthcare Association, the Virginia				
55	Academy of Family Physicians and the Virginia Association of Health Plans to review the				
56	following issues: (i) how to improve coordination of care across provider types of				
57	Medicaid "super utilizers"; (ii) the impact of primary care provider incentive funding on				
58	improved interoperability between hospital and provider systems; and (iii) methods for				

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1	formalizing a statewide emergency department collaboration to improve care and treatment of				
2	Medicaid recipients and increase cost efficiency in the Medicaid program, including				
3	recognized best practices for emergency departments. The committee shall meet semi-				
4	annually, or more frequently if requested by the department or members of the committee.				
5	The department, in cooperation with the committee, shall report on the committee's activities				
6	annually to the Board of Medical Assistance Services and to the Chairmen of the House				
7	Appropriations and Senate Finance and Appropriations Committees and the Department of				
8	Planning and Budget no later than October 1 each year.				
9	BB.1. The Department of Medical Assistance Services shall seek federal authority through				
10	any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the				
11	Social Security Act to implement a comprehensive value-driven, market-based reform of the				
12	Virginia Medicaid/FAMIS programs.				
13	2. The department is authorized to contract with qualified health plans to offer recipients a				
14	Medicaid benefit package adhering to these principles. This reformed service delivery model				
15	shall be mandatory, to the extent allowed under the relevant authority granted by the federal				
16	government and shall, at a minimum, include (i) limited high-performing provider networks				
17	and medical/health homes; (ii) financial incentives for high quality outcomes and alternative				
18	payment methods; (iii) improvements to encounter data submission, reporting, and oversight;				
19	(iv) standardization of administrative and other processes for providers; and (v) support of the				
20	health information exchange.				
21	3.a. Notwithstanding § 30-347, Code of Virginia, or any other provision of law, the				
22	Department of Medical Assistance Services shall have the authority to (1) amend the State				
23	Plan for Medical Assistance under Title XIX of the Social Security Act, and any waivers				
24	thereof, to implement coverage for newly eligible individuals pursuant to 42 U.S.C. §				
25	1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act (PPACA) and (2) begin				
26	the process of implementing a § 1115 demonstration project to transform the Medicaid				
27	program for newly eligible individuals and eligible individuals enrolled in the existing				
28	Medicaid program. DMAS shall submit the § 1115 demonstration waiver application to the				
29	Centers for Medicare and Medicaid Services (CMS) for approval. The department shall				
30	provide updates on the progress of the State Plan amendments and demonstration waiver				
31	applications to the Chairmen of the House Appropriations and Senate Finance and				
32	Appropriations Committees, or their designees, upon request, and provide for participation in				
33	discussions with CMS staff. The department shall respond to all requests for information from				
34	CMS on State Plan amendments and demonstration waiver applications in a timely manner.				
35	b. The demonstration project shall include the following elements in the design: The				
36	Department of Medical Assistance Services shall develop a supportive employment and				
37	housing benefit targeted to high risk Medicaid beneficiaries with mental illness, substance use				
38	disorder, or other complex, chronic conditions who need intensive, ongoing support to obtain				
39	and maintain employment and stable housing.				
40	c. The department shall have the authority to promulgate emergency regulations to implement				
41	these changes within 280 days or less from the enactment date of this Act.				
42	4. In the event that the increased federal medical assistance percentages for newly eligible				
43	individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA are modified through				
44	federal law or regulation from the methodology in effect on January 1, 2014, resulting in a				
45	reduction in federal medical assistance as determined by the department in consultation with				
46	the Department of Planning and Budget, the Department of Medical Assistance Services shall				
47	disenroll and eliminate coverage for individuals who obtained coverage through 42 U.S.C. §				
48	1396d(y)(1) [2010] of the PPACA. The disenrollment process shall include written				
49	notification to affected Medicaid beneficiaries, Medicaid managed care plans, and other				
50	providers that coverage will cease as soon as allowable under federal law following the date				
51	the department is notified of a reduction in Federal Medical Assistance Percentage.				
52	CC. The Disproportionate Share Hospital (DSH) per diem for Type One hospitals shall be 17				
53	times the DSH per diem for Type Two hospitals. The department shall have the authority to				
54	implement these reimbursement changes effective July 1, 2014, and prior to completion of				
55	any regulatory process in order to effect such changes.				
56	DD.1.a. There is hereby appropriated sum-sufficient nongeneral funds for the Department of				

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1	Medical Assistance Services (DMAS) to pay the state share of supplemental payments for				
2	qualifying private hospital partners of Type One hospitals (consisting of state-owned				
3	teaching hospitals) as provided in the State Plan for Medical Assistance Services.				
4	Qualifying private hospitals shall consist of any hospital currently enrolled as a Virginia				
5	Medicaid provider and owned or operated by a private entity in which a Type One hospital				
6	has a non-majority interest. The supplemental payments shall be based upon the				
7	reimbursement methodology established for such payments in Attachments 4.19-A and				
8	4.19-B of the State Plan for Medical Assistance Services. DMAS shall enter into a transfer				
9	agreement with any Type One hospital whose private hospital partner qualifies for such				
10	supplemental payments, under which the Type One hospital shall provide the state share				
11	in order to match federal Medicaid funds for the supplemental payments to the private				
12	hospital partner. The department shall have the authority to implement these				
13	reimbursement changes consistent with the effective date in the State Plan amendment				
14	approved by the Centers for Medicare and Medicaid Services (CMS) and prior to				
15	completion of any regulatory process in order to effect such changes.				
16	b. The department shall adjust capitation payments to Medicaid managed care				
17	organizations for the purpose of securing access to Medicaid hospital services for the				
18	qualifying private hospital partners of Type One hospitals (consisting of state-owned				
19	teaching hospitals). The department shall revise its contracts with managed care				
20	organizations to incorporate these supplemental capitation payments and provider				
21	payment requirements. DMAS shall enter into a transfer agreement with any Type One				
22	hospital whose private hospital partner qualifies for such supplemental payments, under				
23	which the Type One hospital shall provide the state share in order to match federal				
24	Medicaid funds for the supplemental payments to the private hospital partner. The				
25	department shall have the authority to implement these reimbursement changes consistent				
26	with the effective date approved by the Centers for Medicare and Medicaid Services				
27	(CMS). No payment shall be made without approval from CMS.				
28	2.a. The Department of Medical Assistance Services shall promulgate regulations to make				
29	supplemental payments to Medicaid physician providers with a medical school located in				
30	Eastern Virginia that is a political subdivision of the Commonwealth. The amount of the				
31	supplemental payment shall be based on the difference between the average commercial				
32	rate approved by CMS and the payments otherwise made to physicians. The department				
33	shall have the authority to implement these reimbursement changes consistent with the				
34	effective date in the State Plan amendment approved by CMS and prior to completion of				
35	any regulatory process in order to effect such changes.				
36	b. The department shall increase payments to Medicaid managed care organizations for				
37	the purpose of securing access to Medicaid physician services in Eastern Virginia, through				
38	higher rates to physicians affiliated with a medical school located in Eastern Virginia that				
39	is a political subdivision of the Commonwealth subject to applicable limits. The				
40	department shall revise its contracts with managed care organizations to incorporate these				
41	supplemental capitation payments, and provider payment requirements, subject to				
42	approval by CMS. No payment shall be made without approval from CMS.				
43	c. Funding for the state share for these Medicaid payments is authorized in Item 247.				
44	3.a. The Department of Medical Assistance Services (DMAS) shall have the authority to				
45	amend the State Plan for Medical Assistance Services (State Plan) to implement a				
46	supplemental Medicaid payment for local government-owned nursing homes. The total				
47	supplemental Medicaid payment for local government-owned nursing homes shall be				
48	based on the difference between the Upper Payment Limit of 42 CFR §447.272 as				
49	approved by CMS and all other Medicaid payments subject to such limit made to such				
50	nursing homes. There is hereby appropriated sum-sufficient funds for DMAS to pay the				
51	state share of the supplemental Medicaid payment hereunder. However, DMAS shall not				
52	submit such State Plan amendment to CMS until it has entered into an intergovernmental				
53	agreement with eligible local government-owned nursing homes or the local government				
54	itself which requires them to transfer funds to DMAS for use as the state share for the				
55	supplemental Medicaid payment each nursing home is entitled to and to represent that				
56	each has the authority to transfer funds to DMAS and that the funds used will comply with				
57	federal law for use as the state share for the supplemental Medicaid payment. If a local				
58	government-owned nursing home or the local government itself is unable to comply with				

ITEM 304.		Item Details(\$)		Appropriations(\$)	
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1	the intergovernmental agreement, DMAS shall have the authority to modify the State Plan.				
2	The department shall have the authority to implement the reimbursement change consistent				
3	with the effective date in the State Plan amendment approved by CMS and prior to the				
4	completion of any regulatory process undertaken in order to effect such change.				
5	b. If by June 30, 2017, the Department of Medical Assistance Services has not secured				
6	approval from the Centers for Medicare and Medicaid Services to use a minimum fee				
7	schedule pursuant to 42 C.F.R. § 438.6(c)(1)(iii) for local government-owned nursing homes				
8	participating in Commonwealth Coordinated Care Plus (CCC Plus) at the same level as and in				
9	lieu of the supplemental Medicaid payments authorized in Section XX.3.a., then DMAS shall:				
10	(i) exclude Medicaid recipients who elect to receive nursing home services in local				
11	government-owned nursing homes from CCC Plus; (ii) pay for such excluded recipient's				
12	nursing home services on a fee-for-service basis, including the related supplemental Medicaid				
13	payments as authorized herein; and (iii) prohibit CCC Plus contracted health plans from in				
14	any way limiting Medicaid recipients from electing to receive nursing home services from				
15	local government-owned nursing homes. The department may include in CCC Plus Medicaid				
16	recipients who elect to receive nursing home services in local government-owned nursing				
17	homes in the future when it has secured federal CMS approval to use a minimum fee schedule				
18	as described above.				
19	4. The Department of Medical Assistance Services shall have the authority to amend the State				
20	Plan for Medical Assistance Services to implement a supplemental payment for clinic services				
21	furnished by the Virginia Department of Health (VDH) effective July 1, 2015. The total				
22	supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the				
23	Centers for Medicare and Medicaid Services and all other Medicaid payments. VDH may				
24	transfer general fund to the department from funds already appropriated to VDH to cover the				
25	non-federal share of the Medicaid payments. The department shall have the authority to				
26	implement the reimbursement change effective July 1, 2015, and prior to the completion of				
27	any regulatory process undertaken in order to effect such changes.				
28	5. The Department of Medical Assistance Services shall amend the State Plan for Medical				
29	Assistance to increase the supplemental physician payments for physicians employed at a				
30	freestanding children's hospital serving children in Planning District 8 with more than 50				
31	percent Medicaid inpatient utilization in fiscal year 2014 to the maximum allowed by the				
32	Centers for Medicare and Medicaid Services within the limit of the appropriation provided for				
33	this purpose. The total supplemental Medicaid payment shall be based on the Upper Payment				
34	Limit approved by the Centers for Medicare and Medicaid Services and all other Virginia				
35	Medicaid fee-for-service payments. The department shall have the authority to implement				
36	these reimbursement changes effective July 1, 2016, and prior to the completion of any				
37	regulatory process undertaken in order to effect such change.				
38	6.a. The Department of Medical Assistance Services shall promulgate regulations to make				
39	supplemental Medicaid payments to the primary teaching hospitals affiliated with a Liaison				
40	Committee on Medical Education (LCME) accredited medical school located in Planning				
41	District 23 that is a political subdivision of the Commonwealth and an LCME accredited				
42	medical school located in Planning District 5 that has a partnership with a public university.				
43	The amount of the supplemental payment shall be based on the reimbursement methodology				
44	established for such payments in Attachments 4.19-A and 4.19-B of the State Plan for				
45	Medical Assistance and/or the department's contracts with managed care organizations. The				
46	department shall have the authority to implement these reimbursement changes consistent				
47	with the effective date in the State Plan amendment or the managed care contracts approved				
48	by the Centers for Medicare and Medicaid Services (CMS) and prior to completion of any				
49	regulatory process in order to effect such changes. No payment shall be made without				
50	approval from CMS.				
51	b. Funding for the state share for these Medicaid payments is authorized in Item 247 and Item				
52	4-5.03.				
53	c. Payments authorized in this subsection shall sunset after the effective date of a statewide				
54	supplemental payment for private acute care hospitals authorized in Item 3-5.16. For purposes				
55	of the upper payment limit, the department shall prorate the upper payment limit if the sunset				
56	date is mid-fiscal year. The department shall have the authority to implement this change prior				
57	to the completion of any regulatory process undertaken in order to effect such change.				

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1	7.a. The department shall amend the State plan for Medical Assistance to implement a				
2	supplemental inpatient and outpatient payment for Chesapeake Regional Hospital based				
3	on the difference between reimbursement with rates using an adjustment factor of 100%				
4	minus current authorized reimbursement subject to the inpatient and outpatient Upper				
5	Payment Limits for non-state government owned hospitals, and for managed care claims				
6	based on the difference between the amount included in the capitation rates for inpatient				
7	and outpatient services based on historical paid claims for non-state government hospitals				
8	and the maximum managed care directed payment supported by the department's				
9	calculations and allowed by CMS, subject to CMS approval under 42 C.F.R. section				
10	438.6(c). The department shall include in its contracts with managed care organizations a				
11	percentage increase for Chesapeake Regional Hospital consistent with the approved				
12	managed care directed percentage increase. The department shall adjust capitation				
13	payments to Medicaid managed care organizations to fund this percentage increase. Both				
14	the contract changes and capitation rate adjustments shall be compliant with 42 C.F.R.				
15	438.6(c)(1)(iii) and subject to CMS approval.				
16	b. The department shall also amend the State Plan for Medical Assistance to implement				
17	supplemental physician payments for practice plans employed by or under contract with				
18	Chesapeake Regional Hospital to the maximum allowed by the Centers for Medicare and				
19	Medicaid Services. The department shall increase payments to Medicaid managed care				
20	organizations for the purpose of providing higher rates to physicians employed by or				
21	under contract with Chesapeake Regional Hospital based on the maximum allowed by				
22	CMS. The department shall revise its contracts with managed care organizations to				
23	incorporate these managed care directed payments, subject to approval by CMS. The				
24	department shall have the authority to implement these reimbursement changes effective				
25	July 1, 2022, and prior to completion of any regulatory process undertaken in order to				
26	effect such change.				
27	c. Prior to submitting the State Plan Amendment or making the managed care contract				
28	changes, Chesapeake Regional Hospital shall enter into an agreement with the department				
29	to transfer the non-federal share for these payments. The department shall have the				
30	authority to implement these reimbursement changes consistent with the effective date(s)				
31	approved by the Centers for Medicare and Medicaid (CMS).				
32	8.a. There is hereby appropriated sum-sufficient nongeneral funds for the department to				
33	pay the state share of supplemental payments for nursing homes owned by Type One				
34	hospitals (consisting of state-owned teaching hospitals) as provided in the State Plan for				
35	Medical Assistance Services. The total supplemental payment shall be based on the				
36	difference between the Upper Payment Limit of 42 CFR § 447.272 as approved by CMS				
37	and all other Medicaid payments subject to such limit made to such nursing homes.				
38	DMAS shall enter into a transfer agreement with any Type One hospital whose nursing				
39	home qualifies for such supplemental payments, under which the Type One hospital shall				
40	provide the state share in order to match federal Medicaid funds for the supplemental				
41	payments. The department shall have the authority to implement these reimbursement				
42	changes consistent with the effective date in the State Plan amendment approved by CMS				
43	and prior to completion of any regulatory process in order to effect such changes.				
44	b. The department shall adjust capitation payments to Medicaid managed care				
45	organizations to fund a minimum fee schedule compliant with requirements in 42 C.F.R. §				
46	438.6(c)(1)(iii) at a level consistent with the State Plan amendment authorized above for				
47	nursing homes owned by Type One hospitals. The department shall revise its contracts				
48	with managed care organizations to incorporate these supplemental capitation payments				
49	and provider payment requirements. DMAS shall enter into a transfer agreement with any				
50	Type One hospitals whose nursing home qualifies for such supplemental payments, under				
51	which the Type One hospital shall provide the state share in order to match federal				
52	Medicaid funds for the supplemental payments. The department shall have the authority to				
53	implement these reimbursement changes consistent with the effective date approved by				
54	CMS. No payment shall be made without approval from CMS.				
55	9. The department shall amend the State plan for Medical Assistance to implement a				
56	supplemental inpatient payment for Lake Taylor Transitional Care Hospital based on the				
57	difference between Medicaid reimbursement and the inpatient Upper Payment Limit for				
58	non-state government owned hospitals, and for managed care claims based on the				

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1	difference between the amount included in the capitation rates for inpatient and outpatient				
2	services based on historical paid claims for non-state government hospitals and the maximum				
3	managed care directed payment supported by the department's calculations and allowed by				
4	CMS, subject to CMS approval under 42 C.F.R. section 438.6(c). The department shall				
5	include in its contracts with managed care organizations a percentage increase for Lake				
6	Taylor Transitional Care Hospital consistent with the approved managed care directed fee for				
7	service supplemental payment percentage increase. The department shall adjust capitation				
8	payments to Medicaid managed care organizations to fund this percentage increase. Both the				
9	contract changes and capitation rate adjustments shall be compliant with 42 C.F.R.				
10	438.6(c)(1)(iii) and subject to CMS approval. Prior to submitting the State Plan Amendment				
11	or making the managed care contract changes, Lake Taylor Transitional Care Hospital shall				
12	enter into an agreement with the department to transfer the non-federal share for these				
13	payments. The department shall have the authority to implement these reimbursement				
14	changes consistent with the effective date(s) approved by the Centers for Medicare and				
15	Medicaid (CMS). The originating funding for this program will come entirely from Lake				
16	Taylor.				
17	10.a. The Department of Medical Assistance Services shall develop a State Plan for Medical				
18	Assistance amendment to make supplemental payments to private hospitals and related health				
19	systems who intend to execute affiliation agreements with public entities that are capable of				
20	transferring funds to the department for purposes of covering the non-federal share of the				
21	authorized payments. Such public entities would enter into an Interagency Agreement with				
22	the department for this purpose. The department shall develop a plan, that could take effect				
23	July 1, 2023, for making managed care directed payments or supplemental payments as				
24	follows: Physician fee-for-service (FFS) supplemental payments through a state plan				
25	amendment and physician managed care directed payments through managed care contracts				
26	up to the Average Commercial Rate for practice plans that are a component of the				
27	participating hospitals or health system. The plan shall identify the public entity who will				
28	transfer funds to the department, the amount and duration of such transfers, the purpose and				
29	amount of any supplemental payment or managed care direct payments made to private				
30	hospitals and related health systems, and the impact, if any, on other supplemental payment				
31	programs currently in effect. The plan shall also include the appropriate references that				
32	provide authority for such payments.				
33	b. The Department of Medical Assistance Services shall report the plan to the Chairs of the				
34	House Appropriations and Senate Finance and Appropriations Committees by October 15,				
35	2022.				
36	c. The department shall have the authority to amend the State Plan for Medical Assistance and				
37	managed care contracts to make supplemental payments and managed care directed payments				
38	to private hospitals for physician services effective July 1, 2024. Reimbursement changes				
39	shall be effective prior to completion of any regulatory process in order to effect such				
40	changes. No payment shall be made without approval from CMS and an Interagency				
41	Agreement with a public entity capable of transferring the non-federal share of authorized				
42	payments to the department. The funds to be transferred must comply with 42 CFR 433.51				
43	and 433.54. Such funds may not be paid from any private agreements with public entities that				
44	are in excess of fair market value or that alleviate pre-existing financial burdens of such				
45	public entities. Public entities are authorized to use general fund dollars to accomplish this				
46	transfer. As part of the Interagency Agreements the department shall require the public				
47	entities to attest to compliance with applicable CMS criteria. The department shall also				
48	require any private hospital and related health systems receiving payments under this item to				
49	attest to compliance with applicable CMS criteria. Upon notification by the Department of				
50	any deferral or disallowance issued by CMS regarding the supplemental payment				
51	arrangement, the hospital provider will return the entire balance of the supplemental payment				
52	to the Department within 30 days of notification. If the hospital does not return the entire				
53	balance of the supplemental payment to the Department within the specified timeframe, a				
54	judgement rate of interest set forth in Title 6.2-302 will be applied to the entire balance,				
55	regardless of whatever portion has been repaid. In addition, the non-federal share of the				
56	agency's administrative costs directly related to administration of the programs authorized in				
57	this paragraph, including staff and contractors, shall be funded by participating public entities.				
58	These funds shall be deposited into a special fund created by the Comptroller and used to				
59	support the administrative costs associated with managing this program. Any funds received				
60	for this purpose but unexpended at the end of the fiscal year shall remain in the fund for use in				



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1	accordance with this provision.				
2	d. The purposes to which the additional payments authorized in paragraph DD.10.c. of this				
3	item shall be applied include: (i) sustaining and enhancing access to outpatient care for				
4	Medicaid recipients; (ii) stabilizing and supporting critical healthcare workforce needs;				
5	and (iii) advancing the department's overall quality improvement goals. The department,				
6	with the assistance of the participating organizations, shall report to the Chairs of the				
7	House Appropriations and Senate Finance and Appropriations Committees by December 1				
8	of each year on the impact of this initiative.				
9	11. The Department of Medical Assistance Services shall have the authority to amend the				
10	State Plan for Medical Assistance to make supplemental payments through an adjustment				
11	to the formula for indirect medical education (IME) reimbursement for an acute care				
12	hospital chain with a level one trauma center in the Tidewater Metropolitan Statistical				
13	Area (MSA) in 2020, upon the execution of affiliation agreements with public entities that				
14	are capable of transferring funds to the department for purposes of covering the non-				
15	federal share of the authorized payments. Such public entities would enter into an				
16	Interagency Agreement with the department for this purpose. Public entities are authorized				
17	to use general fund dollars to accomplish this transfer. The funds to be transferred must				
18	comply with 42 CFR 433.51 and 433.54. As part of the Interagency Agreements the				
19	department shall require the public entities to attest to compliance with applicable CMS				
20	criteria. The department shall also require any private hospital and related health systems				
21	receiving payments under this item to attest to compliance with applicable CMS criteria.				
22	Total payments for IME in combination with other payments may not exceed the federal				
23	uncompensated care cost limit that disproportionate share hospital payments are subject				
24	to. The department shall have the authority to implement these changes prior to				
25	completion of any regulatory process undertaken in order to effect such change.				
26	EE. The Department of Medical Assistance Services is authorized to amend the State Plan				
27	under Title XIX of the Social Security Act to add coverage for comprehensive dental				
28	services to pregnant women receiving services under the Medicaid program to include: (i)				
29	diagnostic, (ii) preventive, (iii) restorative, (iv) endodontics, (v) periodontics, (vi)				
30	prosthodontics both removable and fixed, (vii) oral surgery, and (viii) adjunctive general				
31	services. The department shall have authority to implement necessary changes upon				
32	federal approval and prior to the completion of any regulatory process undertaken in order				
33	to effect such changes.				
34	FF. The Department of Medical Assistance Services (DMAS) shall amend its July 1,				
35	2016, managed care contracts in order to conform to the requirement pursuant to House				
36	Bill 1942 / Senate Bill 1262, passed during the 2015 Regular Session, for prior				
37	authorization of drug benefits.				
38	GG.1. Out of this appropriation, \$4,350,000 the first year and \$4,350,000 the second year				
39	from the general fund and \$4,350,000 the first year and \$4,350,000 the second year from				
40	nongeneral funds shall be used for supplemental payments to fund graduate medical				
41	education for 5 residents who began their residencies in July 2018; 16 residents who				
42	began their residencies in July 2019; 30 residents who began their residencies in July				
43	2020; 22 residents who began their residencies in July 2021; 20 residents who began their				
44	residencies in July 2022, and 10 psychiatric residents who began their residencies in July				
45	2022.				
46	2. The supplemental payment for each qualifying residency slot shall be \$100,000				
47	annually minus any Medicare residency payment for which the sponsoring institution is				
48	eligible. For any residency program at a facility whose Medicaid payments are capped by				
49	the Centers for Medicare and Medicaid Services, the supplemental payments for each				
50	qualifying residency slot shall be \$50,000 from the general fund annually minus any				
51	Medicare residency payments for which the residency program is eligible. Supplemental				
52	payments shall be made for up to four years for each qualifying resident. Payments shall				
53	be made quarterly following the same schedule used for other medical education				
54	payments.				
55	3.The Department of Medical Assistance Services shall submit a State Plan amendment				
56	based on the authorization in GG.1. of this Item to make supplemental payments for				
57	graduate medical education residency slots. The supplemental payments are subject to				

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1	federal Centers for Medicare and Medicaid Services approval. The department shall have the				
2	authority to promulgate emergency regulations to implement this amendment within 280 days				
3	or less from the enactment of this Act.				
4	4.a. Effective July 1, 2018, the department shall make supplemental payments to the				
5	following sponsoring institutions for the specified number of primary care residencies: to				
6	Carilion Medical Center for 2 psychiatric residencies and to Sentara Norfolk General for 1				
7	OB/GYN residency and 2 psychiatric residencies.				
8	b. Effective July 1, 2019, the department shall make supplemental payments to the following				
9	sponsoring institutions for the specified number of primary care residencies: Sentara Norfolk				
10	General (1 residency), Maryview Hospital (1 residency), Carilion Medical Center (6				
11	residencies), Centra Health (2 residencies), and Riverside Regional Medical Center (1				
12	residencies). The department shall make supplemental payments to Inova Fairfax Hospital for				
13	1 General Surgery residency and to Carilion Medical Center for 2 psychiatric residencies. The				
14	department shall make supplemental payments to Sentara Norfolk General 1 OB/GYN				
15	residency and 1 urology residency.				
16	c. Effective July 1, 2020, the department shall make supplemental payments for a primary				
17	care residency to Riverside Regional Medical Center. The department shall make				
18	supplemental payments to Sentara Norfolk General for 2 psychiatric residencies and 1				
19	urology residency. In addition, the department shall make supplemental payments to the				
20	following sponsoring institutions for the specified number of primary care residencies:				
21	Sentara Norfolk General (3 residencies), Maryview Hospital (1 residency), Carilion Medical				
22	Center (7 residencies), and Centra Health (2 residencies). The department shall make				
23	supplemental payments to Sentara Norfolk General for 1 OB/GYN residency and Carilion				
24	Medical Center for 2 psychiatry residencies. The department shall make supplemental				
25	payments to Riverside Regional Medical Center for 8 emergency medicine residencies. The				
26	department shall make supplemental payments to Children's Hospital of King's Daughters for				
27	2 general pediatrics residencies.				
28	d. Effective July 1, 2021, the department shall make supplemental payments to the following				
29	sponsoring institutions for the specified number of primary care residencies: Carilion Medical				
30	Center (7 residencies) and Centra Health (3 residencies). The department shall make				
31	supplemental payments to Sentara Norfolk General for 1 OB/GYN residency and 1				
32	emergency medicine residency. The department shall make supplemental payments to				
33	Carilion Medical Center for 2 psychiatry residencies. The department shall make				
34	supplemental payments to Riverside Regional Medical Center for 8 emergency medicine				
35	residencies.				
36	e. Effective July 1, 2022, the department shall make supplemental payments to the following				
37	sponsoring institutions for the specified number of primary care residencies: Carilion (5				
38	Internal Medicine residencies), Centra (3 Family Medicine residencies), and Riverside (1				
39	Family Medicine residency). The department shall make supplemental payments to Carilion				
40	for 2 Psychiatry residencies. The department shall make supplemental payments to Children's				
41	Hospital of the King's Daughters for 2 Pediatric residencies. The department shall make				
42	supplemental payments to Sentara Norfolk General for 2 Psychiatry residencies. The				
43	department shall make supplemental payments to Riverside for 4 Emergency Medicine and 1				
44	OB/GYN residencies.				
45	5. Preference shall be given for residency slots located in underserved areas. Applications for				
46	slots that involve multiple medical care providers collaborating in training residents and that				
47	involve providing residents the opportunity to train in underserved areas are encouraged. A				
48	majority of the new residency slots funded each year shall be for primary care. The				
49	department shall adopt criteria for primary care, high need specialties and underserved areas				
50	as developed by the Virginia Health Workforce Development Authority. Beginning July 1,				
51	2018, the department shall also review and consider applications from non-hospital				
52	sponsoring institutions, such as Federally Qualified Health Centers (FQHCs).				
53	6. If the number of qualifying residency slots exceeds the available number of supplemental				
54	payments, the Virginia Health Workforce Development Authority shall determine which new				
55	residency slots to fund based on priorities developed by the authority.				
56	7. The sponsoring institution will be eligible for the supplemental payments as long as it				

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1	maintains the number of residency slots in total and by category as a result of the increase.				
2	The sponsoring institutions must certify by June 1 each year that they continue to meet the				
3	criteria for the supplemental payments and report any changes during the year to the				
4	number of residents.				
5	8. The department shall require all sponsoring institutions receiving Medicaid medical				
6	education funding to report annually by September 15 on the number of residents in total				
7	and by specialty/subspecialty. Medical education funding includes payments for graduate				
8	medical education (GME) and indirect medical education (IME).				
9	HH.1. The Department of Medical Assistance Services, in consultation with the				
10	appropriate stakeholders, shall amend the State Plan for medical assistance and/or seek				
11	federal authority through an 1115 demonstration waiver, as soon as feasible, to provide				
12	coverage of inpatient detoxification, inpatient substance abuse treatment, residential				
13	detoxification, residential substance abuse treatment, and peer support services to				
14	Medicaid individuals in the Fee-for-Service and Managed Care Delivery Systems.				
15	2. The Department of Medical Assistance Services shall have the authority to make				
16	programmatic changes in the provision of all Substance Abuse Treatment Outpatient,				
17	Community Based and Residential Treatment services (group homes and facilities) for				
18	individuals with substance abuse disorders in order to ensure parity between the substance				
19	abuse treatment services and the medical and mental health services covered by the				
20	department and to ensure comprehensive treatment planning and care coordination for				
21	individuals receiving behavioral health and substance use disorder services. The				
22	department shall ensure appropriate utilization and cost efficiency, and adjust				
23	reimbursement rates within the limits of the funding appropriated for this purpose based				
24	on current industry standards. The department shall consider all available options				
25	including, but not limited to, service definitions, prior authorization, utilization review,				
26	provider qualifications, and reimbursement rates for the following Medicaid services:				
27	substance abuse day treatment for pregnant women, substance abuse residential treatment				
28	for pregnant women, substance abuse case management, opioid treatment, substance abuse				
29	day treatment, and substance abuse intensive outpatient. Any amendments to the State				
30	Plan or waivers initiated under the provisions of this paragraph shall not exceed funding				
31	appropriated in this Act for this purpose. The department shall have the authority to				
32	promulgate regulations to implement these changes within 280 days or less from the				
33	enactment date of this Act.				
34	3. The Department of Medical Assistance Services shall amend the State Plan for Medical				
35	Assistance and any waivers thereof to include peer support services to children and adults				
36	with mental health conditions and/or substance use disorders. The department shall work				
37	with its contractors, the Department of Behavioral Health and Developmental Services,				
38	and appropriate stakeholders to develop service definitions, utilization review criteria and				
39	provider qualifications. Any amendments to the State Plan or waivers initiated under the				
40	provisions of this paragraph shall not exceed funding appropriated in this Act for this				
41	purpose. The department shall have the authority to promulgate regulations to implement				
42	these changes within 280 days or less from the enactment date of this Act.				
43	4. The Department of Medical Assistance Services shall, prior to the submission of any				
44	State Plan amendment or waivers to implement paragraphs HH.1., HH.2., and HH.3.,				
45	submit a plan detailing the changes in provider rates, new services added, other				
46	programmatic changes, and a certification of budget neutrality to the Director, Department				
47	of Planning and Budget and the Chairmen of the House Appropriation and Senate Finance				
48	and Appropriations Committees.				
49	II.1. The Department of Medical Assistance Services shall monitor the capacity available				
50	under the Upper Payment Limit (UPL) for all hospital supplemental payments and adjust				
51	payments accordingly when the UPL cap is reached. The department shall make an				
52	adjustment to stay under the UPL cap by reducing or eliminating as necessary				
53	supplemental payments to hospitals based on when the first supplemental payments were				
54	actually made so that the newest supplemental payments to hospitals would be impacted				
55	first and so on.				
56	2. The Department of Medical Assistance Services shall have the authority to implement				
57	reimbursement changes deemed necessary to meet the requirements of this paragraph prior				

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1	to the completion of any regulatory process in order to effect such changes.				
2	JJ.1. Effective July 1, 2017, the Department of Medical Assistance Services shall amend the				
3	State Plan for Medical Assistance to increase the formula for indirect medical education				
4	(IME) for freestanding children's hospitals with greater than 50 percent Medicaid utilization				
5	in 2009 as a substitute for disproportionate share hospital (DSH) payments. The formula for				
6	these hospitals for IME for inpatient hospital services provided to Medicaid patients but				
7	reimbursed by capitated managed care providers shall be identical to the formula for Type				
8	One hospitals. The IME payments shall continue to be limited such that total payments to				
9	freestanding children's hospitals with greater than 50 percent Medicaid utilization do not				
10	exceed the federal uncompensated care cost limit to which DSH payments are subject,				
11	excluding third party reimbursement for Medicaid eligible patients. The department shall have				
12	the authority to implement these changes effective July 1, 2017, and prior to completion of				
13	any regulatory action to effect such changes.				
14	2. The Department of Medical Assistance Services (DMAS) shall have the authority to create				
15	additional hospital supplemental payments for freestanding children's hospitals with greater				
16	than 50 percent Medicaid utilization in 2009 to replace payments that have been reduced due				
17	to the federal regulation on the definition of uncompensated care costs effective June 2, 2017.				
18	These new payments shall equal what would have been paid to the freestanding children's				
19	hospitals under the current disproportionate share hospital (DSH) formula without regard to				
20	the uncompensated care cost limit. These additional hospital supplemental payments shall				
21	take precedence over supplemental payments for private acute care hospitals. If the federal				
22	regulation is voided, DMAS shall continue DSH payments to the impacted hospitals and				
23	adjust the additional hospital supplemental payments authorized in this paragraph				
24	accordingly. The department shall have the authority to implement these changes prior to				
25	completion of any regulatory process undertaken in order to effectuate such change.				
26	KK. For the period beginning September 1, 2016 until 180 days after publication and				
27	distribution of the Developmental Disabilities Waivers provider manual by the Department of				
28	Medical Assistance Services (DMAS), retraction of payment from Developmental Disabilities				
29	Waivers providers following an audit by DMAS or one of its contractors is only permitted				
30	when the audit points identified are supported by the Code of Virginia, regulations, DMAS				
31	general providers manuals, or DMAS Medicaid Memos in effect during the date of services				
32	being audited.				
33	LL. The Department of Medical Assistance Services shall submit a report annually on all				
34	supplemental payments made to hospitals through the Medicaid program. This report shall				
35	include information for each hospital and by type of supplemental payment (Disproportionate				
36	Share Hospital, Graduate Medical Education, Indirect Medical Education, Upper Payment				
37	Limit program, and others). The report shall include total Medicaid payments from all sources				
38	and calculate the percent of overall payments that are supplemental payments. Furthermore, it				
39	shall include a description of each type of supplemental payment and the methodology used to				
40	calculate the payments. Each report shall reflect the data for the prior three fiscal years and				
41	shall be submitted to the Chairmen of the House Appropriations and Senate Finance and				
42	Appropriations Committees by September 1 each year.				
43	MM.1. The Department of Medical Assistance Services shall work with stakeholders to				
44	review and adjust medical necessity criteria for Medicaid-funded nursing services including				
45	private duty nursing, skilled nursing, and home health. The department shall adjust the				
46	medical necessity criteria to reflect advances in medical treatment, new technologies, and use				
47	of integrated care models including behavioral supports. The department shall have the				
48	authority to amend the necessary waiver(s) and the State Plan under Titles XIX and XXI of				
49	the Social Security Act to include changes to services covered, provider qualifications,				
50	medical necessity criteria, and rates and rate methodologies for private duty nursing. The				
51	adjustments to these services shall meet the needs of members and maintain budget neutrality				
52	by not requiring any additional expenditure of general fund beyond the current projected				
53	appropriation for such nursing services.				
54	2. The department shall have authority to implement these changes to be effective July 1,				
55	2022. The department shall also have authority to promulgate any emergency regulations				
56	required to implement these necessary changes within 280 days or less from the enactment				
57	date of this act. The department shall submit a report and estimates of any projected cost				

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1	savings to the Chairmen of the House Appropriations and Senate Finance and				
2	Appropriations Committees 30 days prior to implementation of such changes.				
3	NN. The Department of Medical Assistance Services shall pursue any and all alternatives				
4	and cost based reimbursement models to allow a private hospital in rural Southwest				
5	Virginia that has closed in the last five years to recoup capital startup costs and minimize				
6	operating losses for the next five years, including but not limited to optimizing federal				
7	matching dollars in accordance with federal law.				
8	OO. The Department of Medical Assistance Services and the Department of Behavioral				
9	Health and Developmental Services shall recognize the Certified Employment Support				
10	Professional (CESP) and Association of Community Rehabilitation Educators (ACRE)				
11	certifications in lieu of competency requirements for supported employment staff in the				
12	Medicaid Community Living, Family and Individual Support and Building Independence				
13	Waiver programs and shall allow providers that are Department for the Aging and				
14	Rehabilitative Services vendors that hold a national three-year accreditation from the				
15	Commission on Accreditation of Rehabilitation Facilities (CARF) to be deemed qualified				
16	to meet employment staff competency requirements, provided the provider submits the				
17	results from their CARF surveys including recommendations received to the Department				
18	of Behavioral Health and Developmental Services so that the agency can verify that there				
19	are no recommendations for the standards that address staff competency.				
20	PP.1. The Department of Medical Assistance Services (DMAS) shall have the authority to				
21	implement programmatic changes to service definitions, prior authorization and utilization				
22	review criteria, provider qualifications, and reimbursement rates for the following existing				
23	Medicaid behavioral health services: assertive community treatment, mental health partial				
24	hospitalization programs, crisis intervention and crisis stabilization services.				
25	2. The department shall have the authority to develop new service definitions, prior				
26	authorization and utilization review criteria, provider qualifications, and reimbursement				
27	rates for the following new Medicaid behavioral health services: multi-systemic therapy,				
28	family functional therapy, intensive outpatient services, mobile crisis intervention				
29	services, 23 hour temporary observation services and residential crisis stabilization unit				
30	services.				
31	3. Effective on or after July 1, 2021, DMAS shall implement programmatic changes and				
32	reimbursement rates for the following services: assertive community treatment, multi-				
33	systemic therapy and family functional therapy.				
34	4. Effective on or after July 1, 2021, DMAS shall implement programmatic changes and				
35	reimbursement rates for the following services: intensive outpatient services, partial				
36	hospitalization programs, mobile crisis intervention services, 23 hour temporary				
37	observation services, crisis stabilization services and residential crisis stabilization unit				
38	services.				
39	5. In the development and implementation of these changes, the department shall ensure				
40	appropriate utilization and cost efficiency. Reimbursement rate changes shall be budget				
41	neutral and must not exceed the funding appropriated in the Act for these services.				
42	6. The Department of Medical Assistance Services shall, prior to the submission of any				
43	State Plan amendment or waivers to implement these paragraphs, submit a plan detailing				
44	the changes in provider rates, new services added and other programmatic changes to the				
45	Director, Department of Planning and Budget and the Chairmen of the House				
46	Appropriation and Senate Finance and Appropriations Committees.				
47	7. The department shall have the authority to promulgate emergency regulations to				
48	implement this amendment within 280 days or less from the enactment of this Act.				
49	QQ. Effective July 1, 2021, the Department of Medical Assistance Services shall seek				
50	federal authority through waiver and State Plan amendments under Titles XIX and XXI of				
51	the Social Security Act, as necessary, to provide continuous coverage to enrollees for the				
52	duration of pregnancy and through 12 months postpartum. The department shall have the				
53	authority to promulgate emergency regulations to implement these amendments within				
54	280 days or less from the enactment of this Act. The department shall have authority to				

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1	implement these amendments upon federal approval and prior to the completion of any				
2	regulatory process.				
3	RR. Effective July 1, 2021, the Department of Medical Assistance Services shall increase				
4	rates by 14.7 percent for psychiatric services to the equivalent of 110 percent of Medicare				
5	rates. The department shall have the authority to implement these reimbursement changes				
6	prior to the completion of any regulatory process to effect such changes.				
7	SS. Effective on and after July 1, 2021, the Department of Medical Assistance Services shall				
8	amend the State Plan for Medical Assistance to modify reimbursement for nursing facility				
9	services such that the direct peer group price percentage shall be increased to 109.3 percent				
10	and the indirect peer group price percentage shall be increased to 103.3 percent. The				
11	department shall have the authority to implement these changes effective July 1, 2021 and				
12	prior to the completion of any regulatory process undertaken in order to effect such change.				
13	TT. The Department of Medical Assistance Services shall amend the State Plan for Medical				
14	Assistance to implement a supplemental disproportionate share hospital (DSH) payment for				
15	Chesapeake Regional Hospital up to its hospital-specific disproportionate share hospital limit				
16	(OBRA '93 DSH limit) as determined pursuant to 42 U.S.C. Section 1396r-4. The payment				
17	shall be made annually based upon the hospital's disproportionate share limit for the most				
18	recent year for which the disproportionate share limit has been calculated subject to the				
19	availability of DSH funds under the federal allotment of such funds to the department. Prior to				
20	submitting the State Plan amendment, Chesapeake Regional Hospital shall enter into an				
21	agreement with the department to transfer the non-federal share of the supplemental DSH				
22	payment. Payment of the supplemental DSH payment is contingent upon receipt of				
23	intergovernmental transfer of funds or certified public expenditures from Chesapeake				
24	Regional Hospital. In the event that Chesapeake Regional Hospital is ineligible to transfer or				
25	certify necessary funds pursuant to federal law, the department may amend the State Plan for				
26	Medical Assistance to terminate the supplemental DSH payment program. The department				
27	shall have the authority to implement these reimbursement changes consistent with effective				
28	date(s) approved by the Centers for Medicare and Medicaid Services (CMS). No payments				
29	shall be made without CMS approval. In the event that CMS recoups supplemental DSH				
30	hospital funds from the department, Chesapeake Regional Hospital shall reimburse such funds				
31	to the department.				
32	UU. The Department of Medical Assistance Services shall amend the State Plan for Medical				
33	Assistance to provide that any nursing facility which thereafter loses its Medicaid capital				
34	reimbursement status as a hospital-based nursing facility because a replacement hospital was				
35	built at a different location and Medicare rules no longer allow the nursing home's cost to be				
36	included on the hospital's Medicare cost report shall have its first fair rental value (FRV)				
37	capital payment rate set at the maximum FRV rental rate for a new free-standing nursing				
38	facility with the date of acquisition for its capital assets being the date the replacement				
39	hospital is licensed. The department shall have the authority to implement these				
40	reimbursement changes effective July 1, 2021 and prior to the completion of the regulatory				
41	process.				
42	VV. Effective July 1, 2022, the department shall amend the State Plan for Medical Assistance				
43	to establish a new direct and indirect care peer group for nursing facilities operating with at				
44	least 80% of the resident population having one or more of the following diagnoses:				
45	quadriplegia, traumatic brain injury, multiple sclerosis, paraplegia, or cerebral palsy. In				
46	addition, a qualifying facility must have at least 90% Medicaid utilization and a case mix				
47	index of 1.15 or higher in fiscal year 2014. The department shall utilize the data from the most				
48	recent rebasing to make this change effective for fiscal year 2023 and subsequent rate years				
49	until this change is incorporated into the next scheduled rebasing. This change shall not affect				
50	rates established in the most recent rebasing for facilities in any other direct and indirect care				
51	peer groups. The department shall have the authority to implement this reimbursement change				
52	prior to completion of any regulatory process in order to effect such change. To the extent				
53	federal approval requires alternative approaches to achieve the same general results, the				
54	department shall have the authority to follow the federal guidance effecting this change.				
55	WW. The Department of Medical Assistance Services shall amend the State Plan for Medical				
56	Assistance to establish Specialized Care operating rates for fiscal years 2021, 2022 and 2023				
57	by inflating the fiscal year 2020 rates using Virginia nursing home inflation. After fiscal year				

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1	2023, the department shall revert to the existing prospective methodology. The department				
2	has the authority to implement this change notwithstanding current regulations and				
3	consistent with the approved State Plan amendment.				
4	XX. The Department of Medical Assistance Services shall require Medicaid managed care				
5	organizations to reimburse at no less than 90 percent of the state Medicaid program				
6	Durable Medical Equipment fee schedule for the same service or item of durable medical				
7	equipment, prosthetics, orthotics, and supplies. The department shall have the authority to				
8	implement this reimbursement change effective July 1, 2021 and prior to the completion				
9	of any regulatory process undertaken in order to effect such change.				
10	YY. The Department of Medical Assistance Services (DMAS) shall convene an advisory				
11	panel of representatives chosen by the Virginia Association of Community Services				
12	Boards (VACSB), the Virginia Association of Community-Based Providers (VACBP), the				
13	Virginia Coalition of Private Provider Associations (VCOPPA), Caliber, the Virginia				
14	Network of Private Providers (VNPP), and the Virginia Hospital and Healthcare				
15	Association. The advisory panel shall meet at least every two months with the appropriate				
16	staff from DMAS to review and advise on all aspects of the plan for and implementation				
17	of the redesign of behavioral health services with a specific focus on ensuring that the				
18	systemic plan incorporates development and maintenance of sustainable business models.				
19	Upon advice of the Advisory panel, DMAS may assign staff, as necessary, to review				
20	operations of a sample of providers to examine the process for service authorization, the				
21	interpretation of the medical necessity criteria, and the claims processing by all Medicaid				
22	managed care organizations. DMAS will report their findings from this review to the				
23	advisory panel and to the Secretary of Health and Human Resources, and the Chairs of				
24	House Appropriations and Senate Finance and Appropriations Committees by December				
25	1, 2022.				
26	ZZ. The Department of Medical Assistance Services shall adjust the post eligibility special				
27	earnings allowance for individuals in the CCC Plus, Community Living, Family and				
28	Individual Support and Building Independence waiver programs to incentivize				
29	employment for individuals receiving waiver services. DMAS shall lower the number of				
30	hours from at least eight hours but less than 20 hours per week requirement to at least four				
31	hours but less than 20 hours per week. The Special Earnings Allowance for waiver				
32	participants allows a percentage of earned income to be disregarded when calculating an				
33	individual's contribution to the cost of their waiver services when earning income. The				
34	current requirement is at least eight hours but less than 20 hours per week for a disregard				
35	of up to 200 percent of Supplemental Security Income (SSI) and a disregard of up to 300				
36	percent for individuals that work 20 hours or more per week.				
37	AAA. The Department of Medical Assistance Services shall conduct an analysis to				
38	determine if any additional payment opportunities could be directed to the primary				
39	teaching hospital affiliated with a Liaison Committee on Medical Education (LCME)				
40	accredited medical school located in Planning District 23 that is a political subdivision of				
41	the Commonwealth, based on the department's reimbursement methodology established				
42	for such payments. If such opportunities do exist, the department shall work with the				
43	entities to determine the framework for implementing such payments, including a				
44	reasonable cap on such payments so other qualifying entities are not adversely affected in				
45	future years.				
46	BBB.1. Effective May 1, 2021, the Department of Medical Assistance Services shall				
47	increase the rates for agency- and consumer-directed personal care, respite and companion				
48	services in the home and community-based services waivers and Early Periodic Screening,				
49	and Diagnosis and Treatment (EPSDT) program by 6.4 percent. The department shall				
50	have the authority to implement these changes prior to completion of any regulatory				
51	process undertaken in order to effect such change.				
52	2. Effective January 1, 2022, the Department of Medical Assistance Services shall				
53	increase the rates for agency- and consumer-directed personal care, respite and companion				
54	services in the home and community-based services waivers and Early Periodic Screening,				
55	and Diagnosis and Treatment (EPSDT) program by 12.5 percent. The department shall				
56	have the authority to implement these changes prior to completion of any regulatory				
57	process undertaken in order to effect such change.				

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1	CCC. Effective July 1, 2021, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the practitioner rates for anesthesiologists to reflect the equivalent of 70 percent of the 2019 Medicare rates. The department shall ensure through its contracts with managed care organizations that the rate increase is reflected in their rates to providers. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process undertaken in order to effect such changes.				
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8	DDD. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the supplemental physician payments for physicians employed at a freestanding children's hospital serving children in Planning District 8 to the maximum allowed by the Centers for Medicare and Medicaid Services within the limit of the appropriation provided for this purpose. The total supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the Centers for Medicare and Medicaid Services and all other Virginia Medicaid fee-for-service payments. The department shall have the authority to implement these reimbursement changes effective July 1, 2021, and prior to the completion of any regulatory process undertaken in order to effect such change.				
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14	EEE. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance or any waiver under Title XIX of the Social Security Act to increase the income eligibility for participation in the Medicaid Works program to 138 percent of the Federal Poverty Level. The department shall have the authority to implement this change prior to the completion of the regulatory process necessary to implement such change.				
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20	FFF. Effective July 1, 2021, the Department of Medical Assistance Services shall increase rates for skilled and private duty nursing services to 80 percent of the benchmark rate developed by the department and consistent with the appropriation available for this purpose. The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such changes.				
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26	GGG. Effective, January 1, 2021, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance under Title XIX of the Social Security Act, and any necessary waivers, to authorize time and a half up to eight hours and effective July 1, 2021, up to 16 hours for a single attendant who works more than 40 hours per week for attendants providing Medicaid-reimbursed consumer-directed (CD) personal assistance, respite and companion services. The department shall have authority to implement this provision prior to the completion of any regulatory process undertaken in order to effect such change.				
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32	HHH. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services to implement a modified emergency room utilization program, consistent with the requirements necessary for approval by the Centers for Medicare and Medicaid Services, effective January 1, 2024. The department shall have the authority to implement this change effective January 1, 2024, and prior to the completion of any regulatory process undertaken in order to effect such change.				
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38	III. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services under Title XIX to modify the definition of readmissions to include cases when patients are readmitted to a hospital for the same or a similar diagnosis within 30 days of discharge, excluding planned readmissions, obstetrical readmissions, admissions to critical access hospitals, or in any case where the patient was originally discharged against medical advice. If the patient is readmitted to the same hospital for a potentially preventable readmission then the payment for such cases shall be paid at 50 percent of the normal rate, except that a readmission within five days of discharge shall be considered a continuation of the same stay and shall not be treated as a new case. Similar diagnoses shall be defined as ICD diagnosis codes possessing the same first three digits. The department shall have the authority to implement this reimbursement change effective July 1, 2020, and prior to the completion of any regulatory process undertaken in order to effect such change. The department shall report quarterly on the number of hospital readmissions, the cost, and the primary diagnosis of such readmissions to the Joint Subcommittee for Health and Human Resources Oversight.				
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44	JJJ. The Department of Medical Assistance Services shall continue working with the Department of Behavioral Health and Developmental Services to complete the actions				
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1	necessary to qualify to file a Section 1115 waiver application for Serious Mental Illness				
2	and/or Serious Emotional Disturbance. The department shall develop such a waiver				
3	application at the appropriate time that shall be consistent with the Addiction Treatment				
4	and Recovery Services substance abuse waiver program. The department shall develop a				
5	plan with a timeline and potential cost savings of such a waiver to the Commonwealth.				
6	The department shall provide an update on the status of the waiver by November 1 of each				
7	year to the Chairs of the House Appropriations and Senate Finance and Appropriations				
8	Committees.				
9	KKK.1. Effective January 1, 2021, the Department of Medical Assistance Services shall				
10	develop and implement an actuarially sound risk adjustment model that addresses the				
11	behavioral health acuity differences among the Medicaid managed care organizations for				
12	the community well population of individuals who are dually eligible for Medicare and				
13	Medicaid currently served through the Commonwealth Coordinated Care (CCC) Plus				
14	program. Behavioral health services shall be defined to include the following: case				
15	management services, community behavioral health, early intervention services, and				
16	addiction and recovery treatment services. The risk adjustment shall be based on				
17	nationally accepted models, such as the Chronic Illness and Disability Payment System				
18	(COPS) or Clinical Classifications Software Refined (CCSR), and shall incorporate				
19	variables predictive of behavioral health service utilization. Managed care experience shall				
20	be utilized as the basis for the risk adjustment.				
21	2. Effective January 1, 2021, the Department of Medical Assistance Services shall develop				
22	and implement differential capitation rates for members in behavioral health treatment				
23	versus those who are not, for the community well population of individuals who are dually				
24	eligible for Medicare and Medicaid currently served through the CCC Plus program. The				
25	rates shall be actuarially sound and the behavioral health rates shall additionally				
26	incorporate risk adjustment to account for acuity differences amongst the managed care				
27	organizations. Behavioral health services shall be defined to include the following: case				
28	management services, community behavioral health, early intervention services, and				
29	addiction and recovery treatment services. The risk adjustment shall be based on				
30	nationally accepted models, such as The Chronic Illness and Disability Payment System				
31	(COPS) or Clinical Classifications Software Refined (CCSR), and shall incorporate				
32	variables predictive of behavioral health service utilization. Managed care experience shall				
33	be utilized as the basis for the establishment of the capitation rates and the risk adjustment.				
34	3. The risk adjustment model and differential capitation rates in these paragraphs shall be				
35	implemented such that the impact is budget neutral.				
36	LLL. Free-standing emergency departments, also referred to as dedicated emergency				
37	departments as defined in 42 C.F.R. § 489.24(b) that operate as a department of a hospital				
38	subject to requirements of the federal Emergency Medical Treatment and Labor Act (42				
39	U.S.C. § 1395dd), and is located off the main hospital campus or in an independent				
40	facility, shall submit to the payor upon billing for services rendered (i) the campus				
41	location in which their services were rendered, and (ii) an indicator specifying that the				
42	services were rendered in a free-standing emergency department.				
43	MMM. Effective July 1, 2021, the Department of Medical Assistance Services shall have				
44	the authority to amend the State Plan of Medical Assistance under Title XIX of the Social				
45	Security Act to provide a comprehensive dental benefit to adults. The department shall				
46	work with its Dental Advisory Committee, including members of the Virginia Dental				
47	Association, the Virginia Health Catalyst, the Virginia Commonwealth University School				
48	of Dentistry, the Virginia Dental Hygienists Association, the Virginia Health Care				
49	Association, a representative of the developmental and intellectual disability community,				
50	the Virginia Department of Health and the administrator of the Smiles for Children				
51	program to develop the benefit. The benefit shall be modeled after the existing benefit for				
52	pregnant women. The benefit shall include preventive and restorative services and shall				
53	not include any cosmetic services or orthodontic services. The Dental Advisory				
54	Committee shall design a benefit that does not exceed the appropriated funds to provide				
55	such services. The department shall work with its dental benefit administrator, the				
56	Virginia Dental Association, the Virginia Association of Free and Charitable Clinics, the				
57	Virginia Community Healthcare Association and other stakeholders to ensure an adequate				
58	network of providers and awareness among beneficiaries. The department shall have				

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1	authority to promulgate emergency regulations to implement these changes within 280 days				
2	or less from the enactment date of this act.				
3	NNN. The Department of Medical Assistance Services, in collaboration with the Virginia				
4	Department of Social Services, state workforce agencies and programs, and appropriate				
5	stakeholders, shall develop a referral system designed to connect current and newly eligible				
6	Medicaid enrollees to employment, training, education assistance and other support services.				
7	The department shall review current federal law and regulations that may allow, through State				
8	Plan amendments, contracts, or other policy changes, the department to support such a referral				
9	program. The department shall provide new enrollees in the Medicaid program, that have				
10	been identified as being potentially unemployed or underemployed with information on all				
11	available state and federal programs available to them that offer training, education assistance				
12	or other types of employment support services. The department shall work with its contracted				
13	managed care organizations to facilitate referrals to employment related services. To the				
14	degree that resources are available in other state agencies or from federal grants to support the				
15	referral program and existing authority permits such use, the department shall coordinate the				
16	use of such programs to provide assistance to Medicaid enrollees.				
17	OOO.1. The Department of Medical Assistance Services shall increase nursing home and				
18	specialized care per diem rates by \$20 per day per patient effective until June 30, 2021, and				
19	by \$15 per day effective July 1, 2021. Such adjustment shall be made through existing				
20	managed care capitation rates as a mandated specified rate increase. DMAS shall adjust				
21	capitation rates to account for the nursing facility rate increase. The department shall have the				
22	authority to file all necessary regulatory authorities without delay, make any necessary				
23	contract changes, and implement these reimbursement changes without regard to existing				
24	regulations. The specified rate increase in this paragraph applies across fee-for-service and				
25	Medicaid managed care.				
26	2.a. The Department of Medical Assistance Services (DMAS) shall work with appropriate				
27	nursing facility (NF) stakeholders and the CCC Plus managed care organizations (MCOs) to				
28	develop a unified, value-based purchasing (VBP) program that includes enhanced funding for				
29	facilities that meet or exceed performance and/or improvement thresholds as developed,				
30	reported, and consistently measured by DMAS in cooperation with participating facilities.				
31	The methodology and timing for the Virginia nursing facility VBP program, including				
32	structures for nursing facility performance accountability and disbursement of earned				
33	financial incentives, shall be completed no later than December 31, 2021, with the program				
34	targeted to begin no later than July 1, 2022. Nursing facility performance evaluation under the				
35	program shall prioritize maintenance of adequate staffing levels and avoidance of negative				
36	care events, such as hospital admissions and emergency department visits. The program may				
37	also consider performance evaluation in the areas of preventive care, utilization of home and				
38	community-based services, including community transitions, and other relevant domains of				
39	care.				
40	b. During the first year of this program, half of the available funding shall be distributed to				
41	participating nursing facilities to be invested in functions, staffing, and other efforts necessary				
42	to build their capacity to enhance the quality of care furnished to Medicaid members. This				
43	funding shall be administered as a Medicaid rate add-on in the same manner as in paragraph				
44	1. above. The remaining funding shall be allocated based on performance criteria as				
45	designated under the nursing facility VBP program. The amount of funding devoted to				
46	nursing facility quality of care investments shall be 25 percent of available funding in the				
47	second year of the program before the program transitions to payments based solely on				
48	nursing facility performance criteria in the third year of the program. In the third year of this				
49	program, such funds as appropriated for this purpose shall be fully disbursed according to the				
50	aforementioned unified VBP arrangement to participating nursing facilities that qualify for the				
51	enhanced funding.				
52	c. The department shall convene the stakeholders no less than annually through at least the				
53	first two years of the program to review program progress and discuss potential modifications				
54	to components of the arrangement, including, but not limited to, timing of enhanced				
55	payments, performance metrics, and threshold determinations. The department shall				
56	implement the necessary regulatory changes and other necessary measures to be consistent				
57	with federal approval of any appropriate changes to the State Plan or relevant waivers thereof,				
58	and prior to the completion of any regulatory process undertaken to effect such change.				

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1	PPP. The Department of Medical Assistance Services shall seek federal authority through				
2	waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act				
3	to expand the Preferred Office-Based Opioid Treatment (OBOT) model to include				
4	individuals with substance use disorders (SUD) that are covered in the Addiction and				
5	Recovery Treatment Services (ARTS) benefit. The department shall have the authority to				
6	promulgate emergency regulations to implement these amendments within 280 days or				
7	less from the enactment of this Act. The department shall have the authority to implement				
8	these changes prior to completion of any regulatory process undertaken in order to effect				
9	such change.				
10	QQQ. The Department of Medical Assistance Services shall seek federal authority				
11	through waiver and State Plan amendments under Titles XIX and XXI of the Social				
12	Security Act to expand the definition of durable medical equipment per 42 CFR 440.70 (b)				
13	(3), so that the definition is no longer limited to items primarily used in the home but also				
14	extends to any setting where normal activities take place. The Department shall have the				
15	authority to promulgate emergency regulations to implement this amendment within 280				
16	days or less from the enactment of this Act. The department shall have the authority to				
17	implement these changes prior to completion of any regulatory process undertaken in				
18	order to effect such change.				
19	RRR. The Department of Medical Assistance Services (DMAS) is authorized to amend				
20	the State Plan for Medical Assistance Services to implement a supplemental Medicaid				
21	payment for Department of Veterans Services (DVS) state government-owned nursing				
22	facilities. The total supplemental Medicaid payment for DVS state government owned				
23	nursing homes shall be based on the difference between the Upper Payment Limit of 42				
24	CFR 447.272, as approved by the Centers for Medicare and Medicaid Services (CMS),				
25	and all other Medicaid payments subject to such limit made to such nursing homes.				
26	DMAS shall not submit any State Plan amendment to CMS that implements this payment				
27	until DMAS enters into an intergovernmental agreement with DVS. This agreement shall				
28	include the following provisions: 1) DVS shall transfer funds to DMAS for use as the state				
29	share of the full cost of the supplemental Medicaid payment for which each nursing home				
30	is entitled; 2) DVS must demonstrate that it has the authority and ability to transfer the				
31	necessary funds to DMAS; and, 3) DVS shall attest that any funds provided for state				
32	match will comply with federal law for use as the state share for the supplemental				
33	Medicaid payment. If DVS is unable to enter into or comply with the provisions of such				
34	an intergovernmental agreement, then DMAS shall immediately modify the Medicaid				
35	State Plan and adjust any supplemental payments accordingly. DMAS shall have the				
36	authority to implement the reimbursement changes consistent with the effective date in the				
37	State Plan amendment approved by CMS and prior to the completion of any regulatory				
38	process undertaken in order to effect such change.				
39	SSS. The Department of Medical Assistance Services shall update its regulations to reflect				
40	the Department of Behavioral Health and Developmental Services licensing criteria for the				
41	American Society of Addiction Medicine (ASAM) Level of Care 4.0. The Department				
42	shall have the authority to promulgate emergency regulations to implement this				
43	amendment within 280 days or less from the enactment of this Act. The department shall				
44	have the authority to implement these changes prior to completion of any regulatory				
45	process undertaken in order to effect such change.				
46	TTT. The Department of Medical Assistance Services shall amend the State Plan for				
47	Medical Assistance to authorize the reimbursement, using a budget neutral methodology,				
48	of pharmacy-administered immunizations for all vaccinations covered under the medical				
49	benefit for Medicaid members. Reimbursement for fee-for-service members shall be the				
50	cost of the vaccine plus an administration fee not to exceed \$16. Reimbursement for				
51	pharmacy-administered vaccinations for pediatric Medicaid members eligible for free				
52	vaccinations through the Vaccines For Children (VFC) program shall include only the				
53	administration fee. The department is authorized to set the administration fee for COVID-				
54	19 vaccines at the same level as Medicare reimbursement for such vaccines. The				
55	Department shall promulgate regulations to become effective within 280 days or less from				
56	the enactment date of this Act to implement this change.				
57	UUU. The Department of Medical Assistance Services shall amend the State Plan for				
58	Medical Assistance to authorize coverage for clinically appropriate audio-only services,				

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1	provider-to-provider consultations, store-and-forward, and virtual check-ins with patients. The				
2	Department shall promulgate regulations to become effective within 280 days or less from the				
3	enactment date of this Act to implement this change.				
4	VVV. The Department of Medical Assistance Services shall amend the State Plan for Medical				
5	Assistance to authorize coverage of community doula services for Medicaid-enrolled pregnant				
6	women. Services shall include up to 8 prenatal/postpartum visits, and support during labor				
7	and delivery. The department shall also implement up to two linkage-to-care incentive				
8	payments for postpartum and newborn care.				
9	WWW. The Department of Medical Assistance Services (DMAS) shall have the authority to				
10	make necessary changes to waivers and/or the Medicaid State Plan to ensure that all adult				
11	Medicaid members have access to COVID-19 vaccinations. The department shall have the				
12	authority to implement such changes effective upon passage of this Act, and prior to the				
13	completion of any regulatory process undertaken in order to effect such changes.				
14	XXX. The Department of Medical Assistance Services shall amend the Medicaid and CHIP				
15	State Plans to authorize prescriptions of contraceptives up to a 12 month supply for eligible				
16	beneficiaries in the Medicaid and CHIP programs. The department shall have the authority to				
17	promulgate emergency regulations to implement these amendments within 280 days or less				
18	from the enactment of this Act.				
19	YYY. The Department of Medical Assistance Services is authorized to amend the State Plan				
20	under Title XIX of the Social Security Act to add coverage for the current procedural				
21	terminology (CPT) codes for Applied Behavioral Analysis that were added to the CPT list in				
22	January 2019, or any future updates to these CPT codes. The department shall have the				
23	authority to implement related programmatic changes to service definitions, prior				
24	authorization and utilization review criteria, provider qualifications, and reimbursement rates				
25	for the Behavioral Therapy Program. The department shall have the authority to implement				
26	these changes effective December 1, 2021, and prior to completion of any regulatory process				
27	to effect such changes.				
28	ZZZ. The Department of Medical Assistance Services, in coordination with the Department of				
29	Behavioral Health and Developmental Services, shall submit a request to the Centers for				
30	Medicare and Medicaid Services to amend its 1915(c) Home & Community-Based Services				
31	(HCBS) waivers to allow telehealth and virtual and/or distance learning as a permanent				
32	service option and accommodation for individuals on the Community Living, Family and				
33	Individual Services and Building Independence Waivers. The amendment, at a minimum,				
34	shall include all services currently authorized for telehealth and virtual options during the				
35	COVID-19 pandemic. The departments shall actively work with the established				
36	Developmental Disability Waiver Advisory Committee and other appropriate stakeholders in				
37	the development of the amendment including service elements and rate methodologies. The				
38	department shall have the authority to implement these changes prior to the completion of the				
39	regulatory process.				
40	AAAA. The Department of Medical Assistance Services shall defer the next scheduled				
41	nursing facility rate rebasing for one year in order to utilize the calendar year 2021 cost				
42	reports as the base year. The deferred year's rates would reflect the prior year rates inflated				
43	according to the existing reimbursement regulations. The department shall have the authority				
44	to implement these changes effective July 1, 2021 and prior to the completion of any				
45	regulatory process undertaken in order to effect such change.				
46	BBBB. The Department of Medical Assistance Services shall have the authority to amend the				
47	State Plan for Medical Assistance to adjust the formula for indirect medical education (IME)				
48	reimbursement for managed care discharges for freestanding children's hospitals with greater				
49	than 50 percent Medicaid utilization in 2009 by increasing the case mix adjustment factor to				
50	the greater of 3.2962 or the most recent rebasing. Total payments for IME in combination				
51	with other payments for freestanding children's hospitals with greater than 50 percent				
52	Medicaid utilization in 2009 may not exceed the hospital's Medicaid costs. The department				
53	shall have the authority to implement these changes prior to completion of any regulatory				
54	process undertaken in order to effect such change.				
55	CCCC. The Director of the Department of Planning and Budget shall have the authority to				
56	appropriate additional federal Medicaid revenue for current services as provided for in the				

ITEM 304.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	American Rescue Plan Act of 2021 (ARPA). However, no expansion of Medicaid				
2	programs or services shall be implemented with ARPA funds unless specifically				
3	authorized by the General Assembly. Any state funds offset by this additional federal				
4	revenue shall remain unspent and shall be retained until expenditure of such funds is				
5	reauthorized and appropriated by the General Assembly.				
6	DDDD. Effective July 1, 2022, the Department of Medical Assistance Services shall have				
7	the authority to increase the rates for agency- and consumer-directed personal care, respite				
8	and companion services by 7.5 percent to reflect additional increases in the state minimum				
9	wage while maintaining the existing differential between consumer-directed and agency-				
10	directed rest-of-state rates as well as the northern Virginia and rest-of-state rates. The				
11	department shall have the authority to implement these changes prior to completion of any				
12	regulatory process to effect such change.				
13	EEEE. Effective July 1, 2022, the Department of Medical Assistance Services shall have				
14	the authority to amend the State Plan under Title XIX of the Social Security Act, and any				
15	waivers thereof as necessary to add coverage of the preventive services provided pursuant				
16	to the Patient Protection and Affordable Care Act (PPACA) for adult, full Medicaid				
17	individuals who are not enrolled pursuant to the PPACA. The department shall have the				
18	authority to implement these changes prior to the completion of any regulatory process to				
19	effect such changes.				
20	FFFF. The Department of Medical Assistance Services shall amend the state plans under				
21	Titles XIX and XXI of the Social Security Act, and any waivers thereof as necessary to				
22	remove co-payments for enrollees. Such change shall be effective April 1, 2022, or upon				
23	expiration of the federal public health emergency related to the Coronavirus Disease 2019				
24	(COVID-19) pandemic, whichever is earlier. The department shall have the authority to				
25	implement this change prior to the completion of any regulatory process to effect such				
26	changes.				
27	GGGG. The Department of Medical Assistance Services shall seek federal authority				
28	through a State Plan amendment to exclude excess resources accumulated by individuals				
29	receiving long-term supports and services (LTSS) during the federal Public Health				
30	Emergency (PHE) for a period of 12 months beginning at the end of the federal PHE. The				
31	department shall have the authority to implement this exclusion upon the signing of the				
32	Appropriations Act, and prior to the completion of any regulatory process to effect such				
33	change.				
34	HHHH. Freestanding children's hospitals with more than 50 percent Medicaid utilization				
35	in fiscal year 2009 shall not have to reimburse the Commonwealth of Virginia for the non-				
36	federal share of any refunds of disproportionate share hospitals (DSH) payments for the				
37	period of June 2, 2017 through June 30, 2020. This action is limited to refunds required				
38	under federal court decisions in connection to calculation of members with dual eligibility				
39	or third-party liability.				
40	III. 1. Effective July 1, 2022, the Department of Medical Assistance Services (DMAS)				
41	shall have the authority to increase Medicaid Title XIX and CHIP Title XXI				
42	reimbursement rates for dental services by 30 percent. The department shall have the				
43	authority to implement these reimbursement changes prior to the completion of any				
44	regulatory process to effect such changes.				
45	2. The Department of Medical Assistance Services (DMAS), in consultation with the				
46	appropriate stakeholders, shall review Medicaid and FAMIS dental benefits to determine				
47	any issues related to access. The department shall report its findings to the Chairmen of				
48	the House Appropriations and Senate Appropriations and Finance Committees and the				
49	Director, Department of Planning and Budget by October 15, 2022.				
50	JJJJ. Effective July 1, 2022, the Department of Medical Assistance Services shall have the				
51	authority to increase Medicaid Title XIX and CHIP Title XXI reimbursement rates for				
52	physician primary care services, excluding those provided in emergency departments, to				
53	80 percent of the federal FY 2021 Medicare equivalent as calculated by the department				
54	and consistent with the appropriation available for this purpose. The department shall have				
55	the authority to implement these changes prior to the completion of any regulatory process				
56	to effect such changes.				

ITEM 304.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	KKKK.1. Out of this appropriation, \$175,793,045 the first year and \$201,197,348 the second				
2	year from the general fund and \$182,060,495 the first year and \$208,539,425 the second year				
3	from matching federal Medicaid funds and other nongeneral funds shall be provided to				
4	increase Developmental Disability (DD) waiver rates set forth in the following paragraph.				
5	2. Effective July 1, 2022, the Department of Medical Assistance Services shall have the				
6	authority to update the rates for DD waiver services using the most recent rebasing estimates,				
7	based on their review of the model assumptions as appropriate and consistent with efficiency,				
8	economy, quality and sufficiency of care and reported no later than July 1, 2022. Rates shall				
9	be increased according to Tiered payments contained in the rebasing model, where				
10	appropriate for the type of service provided. Rates shall be increased for Group Homes,				
11	Sponsored Residential, Supported Living, Independent Living Supports, In-home Supports,				
12	Community Engagement, Community Coaching, Therapeutic Consultation, Private Duty and				
13	Skilled Nursing, Group Day Support, Group Supported Employment, Workplace Assistance,				
14	Community Guide, DD Case Management and Benefits Planning. The department shall have				
15	the authority to implement these changes prior to completion of any regulatory process to				
16	effect such change.				
17	LLLL. Effective July 1, 2022, the Department of Medical Assistance Services (DMAS) shall				
18	have the authority to increase Medicaid Title XIX and CHIP Title XXI reimbursement rates				
19	for obstetrics and gynecology covered services by 15 percent. The department shall have the				
20	authority to implement these reimbursement changes prior to the completion of any regulatory				
21	process to effect such changes.				
22	MMMM. Effective July 1, 2022, the Department of Medical Assistance Services (DMAS)				
23	shall have the authority to increase reimbursement rates for children's covered vision services				
24	for Medicaid Title XIX and CHIP XXI programs by 30 percent. The department shall have				
25	the authority to implement these reimbursement changes prior to the completion of any				
26	regulatory process to effect such changes.				
27	NNNN. The Department of Medical Assistance Services shall seek federal authority through				
28	waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act to				
29	allow enrollment in a Medicaid managed care plan for individuals who are Medicaid eligible				
30	30 days prior to release from incarceration. The department shall modify its contracts with				
31	managed care organizations to require a video or telephone conference with incarcerated				
32	individuals that are enrolled in a managed care plan in order to create a transition plan during				
33	the 30 days prior to release from incarceration. The department shall have the authority to				
34	promulgate emergency regulations to implement this amendment within 280 days or less from				
35	the enactment of this Act.				
36	OOOO.1. Effective September 1, 2022, the Department of Medical Assistance Services				
37	(DMAS) shall revise its Medicaid and Family Access to Medical Insurance Security (FAMIS)				
38	managed care organization (MCO) contracts to require MCOs to include provider agreements				
39	for mobile vision services provided to eligible children on school grounds in localities where				
40	local school divisions or schools have written agreements with mobile vision providers.				
41	2. Mobile vision providers, subject to such agreements, shall provide comprehensive vision				
42	services including, at a minimum, a comprehensive vision exam in compliance with				
43	recognized clinical standards to include the use of a binocular indirect ophthalmoscope and/or				
44	a wide-angle retinal imaging system, lenses, frames, and fittings.				
45	3. The Department of Medical Assistance Services shall require the Medicaid MCOs to				
46	expedite the enrollment and credentialing of the mobile vision providers in the MCO				
47	networks and shall work with managed care organizations to ensure that a variety of lens and				
48	frames are available to children receiving vision services in any setting. The department shall				
49	have authority to implement these provisions prior to the completion of any regulatory				
50	process undertaken in order to effect such change.				
51	PPPP. The Department of Medical Assistance Services shall amend the State Plan for Medical				
52	Assistance to authorize coverage for medically necessary general anesthesia and				
53	hospitalization or facility charges of a facility licensed to provide outpatient surgical				
54	procedures for dental care provided to a Medicaid enrollee who is determined by a licensed				
55	dentist in consultation with the enrollee's treating physician to require general anesthesia and				

ITEM 304.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	admission to a hospital or outpatient surgery facility to effectively and safely provide				
2	dental care to an enrollee age ten or younger. The department shall have the authority to				
3	implement this change effective July 1, 2022 and prior to the completion of any regulatory				
4	process to effect such change.				
5	QQQQ. Effective July 1, 2022, the Department of Medical Assistance Services shall				
6	increase Medicaid rates for peer recovery and family support services in private and public				
7	community-based recovery services settings from \$6.50 to \$13.00 per 15 minutes for				
8	individuals and from \$2.70 to \$5.40 per 15 minutes for groups.				
9	RRRR. Out of this appropriation, \$56,640,476 from nongeneral funds the first year and				
10	\$43,489,163 from the general fund and \$64,983,275 from nongeneral funds the second				
11	year shall be provided, effective July 1, 2022, for the Department of Medical Assistance				
12	Services to increase rates by 12.5%, relative to the rates in effect prior to July 1, 2021, for:				
13	(i) adult day health care; (ii) consumer-directed facilitation services; (iii) crisis				
14	supervision, crisis stabilization and crisis support services; (v) transition coordinator				
15	services; (vi) mental health and early intervention case management services; and (vii)				
16	community behavioral health and habilitation services. In addition to the funds included in				
17	this Item, \$38,057,684 the first year is provided for the state match for this purpose in Item				
18	486 out of the revenues received from federal distributions of the American Rescue Plan				
19	Act of 2021. However, if ARPA funds cannot be used for this purpose the department is				
20	authorized to use the available cash balance or excess revenue in the Health Care Fund				
21	that is in excess of the estimates included for the first year in this act or additional general				
22	fund dollars in excess of the Official Medicaid Forecast made available due to changes in				
23	the federal match rate. The department shall have the authority to implement these				
24	changes prior to the completion of any regulatory process undertaken in order to effect				
25	such change. The department shall include any and all Early Periodic Screening Diagnosis				
26	and Treatment (EPSDT) Therapeutic Group Homes in such rate increase effective January				
27	1, 2024, regardless of the number of providers and whether or not such facilities were				
28	previously included in the list of eligible procedure and revenue codes provided in the				
29	Medicaid Bulletin to Providers of Home and Community Based Services Waivers (HCBS)				
30	and EPSDT services participating in Virginia Medical Assistance Programs and Medicaid				
31	Managed Care Organizations (MCOs) dated October 16, 2021. The department shall have				
32	the authority to implement these changes prior to completion of any regulatory process				
33	undertaken in order to effect such change."				
34	SSSS. Contingent on approval by the Centers for Medicare and Medicaid Services (CMS),				
35	the Department of Medical Assistance Services (DMAS) shall allow legally responsible				
36	individuals (parents of children under age 18 and spouses) to provide personal				
37	care/personal assistance services and be paid for those services when circumstances				
38	prevent an individual from being cared for by a non-parent caregiver. Any legally				
39	responsible individual who is a paid aide or attendant for personal care/personal assistance				
40	services shall meet all the same requirements as other aides or attendants. The department				
41	shall have the authority to implement these changes effective July 1, 2022 and prior to				
42	completion of any regulatory process to effect such change.				
43	TTTT. Effective for dates of service on or after January 1, 2024, the Department of				
44	Medical Assistance Services shall increase the reimbursement rates for Early Intervention				
45	services, excluding case management, by 12.5 percent for all children under age three				
46	enrolled in Early Intervention in Virginia Medicaid.				
47	UUUU.The Department of Medical Assistance Services shall implement managed care				
48	directed payments for physician services for practice plans affiliated with a freestanding				
49	children's hospital with more than 50 percent Medicaid utilization in fiscal year 2009 for				
50	\$11,050,000 million annually but not to exceed the average commercial rate. The				
51	department shall have the authority to implement this reimbursement change effective July				
52	1, 2023, and prior to the completion of any regulatory process undertaken in order to				
53	effect such changes. The agency shall implement this by determining at the beginning of				
54	each year the percent of Medicaid that will result in estimated payments of \$11,050,000				
55	million annually.				
56	VVVV.1. Effective January 1, 2024, the Department of Medical Assistance Services shall				
57	increase rates by 10 percent for the following Medicaid-funded community-based				

ITEM 304.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	services: Intensive In-Home, Mental Health Skill Building, Psychosocial Rehabilitation,				
2	Therapeutic Day Treatment, Outpatient Psychotherapy, Peer Recovery Support Services --				
3	Mental Health.				
4	2. Effective January 1, 2024, the Department of Medical Assistance Services shall increase				
5	rates by 10 percent for the following Medicaid-funded community-based services:				
6	Comprehensive Crisis Services (which include 23-hour Crisis Stabilization, Community				
7	Stabilization, Crisis Intervention, Mobile Crisis Response, and Residential Crisis				
8	Stabilization), Assertive Community Treatment, Mental Health - Intensive Outpatient, Mental				
9	Health - Partial Hospitalization, Family Functional Therapy and Multisystemic Therapy.				
10	WWWW. The Department of Medical Assistance Services shall increase the rates for mental				
11	health partial hospitalization from a per diem rate of \$250.62 to \$500.00 and shall increase the				
12	rate for mental health intensive outpatient programs from a per diem of \$159.20 to \$250.00.				
13	The department shall have the authority to implement this reimbursement change effective				
14	January 1, 2024, and prior to the completion of any regulatory process undertaken in order to				
15	effect such change.				
16	XXXX. Effective January 1, 2024, the Department of Medical Assistance Services is				
17	authorized to amend the State Plan for Medical Assistance Services to: (i) extend the age				
18	limitation for children receiving fluoride varnish from non-dental providers from "through age				
19	3" to "through age 5"; (ii) remove the current limitation on the number of times a dentist can				
20	bill the behavioral management code when treating adults with disabilities; (iii) provide				
21	payment for crowns for patients who received root canal therapy prior to becoming a				
22	Medicaid beneficiary; and (iv) provide reimbursement for pre-treatment evaluations				
23	performed by dentists treating patients requiring deep sedation or general anesthesia to mirror				
24	the Centers for Medicare and Medicaid Services (CMS) guidelines. The department shall have				
25	the authority to implement these changes consistent with the effective date in the State Plan				
26	amendment approved by CMS and prior to the completion of any regulatory process				
27	undertaken in order to effect such change.				
28	YYYY. Effective January 1, 2024, the Department of Medical Assistance Services shall have				
29	the authority to increase the rates for agency and consumer-directed personal care, respite and				
30	companion services by five percent. The department shall have the authority to implement				
31	these changes prior to completion of any regulatory process to effect such change.				
32	ZZZZ.1. The Department of Medical Assistance Services shall amend its regulations and				
33	guidance on weight loss drugs to require service authorization for all weight loss drugs to				
34	ensure appropriate utilization. The regulations shall be consistent with the appropriate clinical				
35	criteria generally used in the health insurance industry. The department shall have authority to				
36	implement these provisions prior to the completion of any regulatory process undertaken in				
37	order to effect such change.				
38	2. The Department of Medical Assistance Services shall require service authorization for				
39	newer diabetic drugs to ensure appropriate utilization and adherence to clinical guidelines.				
40	The service authorization shall require evidence of a diagnosis of diabetes and the				
41	ineffectiveness of traditional drug treatments. The department shall have authority to				
42	implement these provisions prior to the completion of any regulatory process undertaken in				
43	order to effect such change.				
44	3. The Department of Medical Assistance Services shall report Medicaid expenditures for				
45	diabetic and weight loss drugs each quarter, by no later than 60 days after the end of each				
46	quarter, to the Chairs of House Appropriations and Senate Finance and Appropriations				
47	Committees. The report shall breakout the expenditures by drug.				
48	AAAAA. Effective January 1, 2024, the Department of Medical Assistance Services shall				
49	have the authority to amend the State Plan under Title XIX of the Social Security Act to				
50	provide reimbursement for the provision of behavioral health services that are classified by a				
51	Current Procedural Terminology code as collaborative care management services.				
52	305. Not set out.				



ITEM 306.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	306.	Medical Assistance Services for Low Income			
2		Children (46600).....		\$248,907,357	\$269,332,249
3					\$243,442,242
4		Reimbursements for Medical Services Provided to			
5		Low-Income Children (46601).....		\$248,907,357	\$269,332,249
6					\$243,442,242
7		Fund Sources: General.....		\$84,680,147	\$90,251,044
8					\$79,425,005
9		Federal Trust.....		\$164,227,210	\$179,081,205
10					\$164,017,237
11		Authority: Title 32.1, Chapters 9, 10 and 13, Code of Virginia; P.L. 89-97, as amended,			
12		Titles XIX and XXI, Social Security Act, Federal Code.			
13		To the extent that appropriations in this Item are insufficient, the Department of Planning			
14		and Budget shall transfer general fund appropriation, as needed, from Children's Health			
15		Insurance Program Delivery (44600) and Medicaid Program Services (45600), if			
16		available, into this Item to be used as state match for federal Title XXI funds.			
17	307.	Not set out.			
18	308.	Not set out.			
19		Total for Department of Medical Assistance			
20		Services.....		\$20,682,856,509	\$23,040,568,817
21					\$22,669,368,870
22		General Fund Positions.....		266.02	263.52
23		Nongeneral Fund Positions.....		276.98	279.48
24		Position Level.....		543.00	543.00
25		Fund Sources: General.....		\$5,824,897,704	\$6,026,900,220
26					\$5,916,121,463
27		Special.....		\$7,329,800	\$7,329,800
28		Dedicated Special Revenue.....		\$1,686,990,140	\$1,718,425,974
29					\$2,221,116,822
30		Federal Trust.....		\$13,163,638,865	\$15,287,912,823
31					\$14,524,800,785
32		§ 1-11. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720)			
33	309.	Not set out.			
34	310.	Not set out.			
35	311.	Not set out.			
36	312.	Central Office Managed Community and			
37		Individual Health Services (44400).....		\$83,241,431	\$160,517,245
38		Individual and Developmental Disability Services			
39		(44401).....		\$6,709,379	\$6,959,379
40		Mental Health Services (44402).....		\$74,482,052	\$150,091,468
41		Substance Abuse Services (44403).....		\$2,050,000	\$3,466,398
42		Fund Sources: General.....		\$82,257,776	\$158,117,192
43		Special.....		\$983,655	\$2,400,053
44		Authority: Title 16.1, Article 18, and Title 37.2, Chapters 2, 3, 4, 5, 6 and 7, and Title 2.2,			
45		Chapters 26 and 53 Code of Virginia; P.L. 102-119, Federal Code.			
46		A. Out of this appropriation, \$5,050,000 the first year and \$5,050,000 the second year			
47		from the general fund shall be used for Developmental Disability Health Support			
48		Networks in regions served, or previously served, by Southside Virginia Training Center.			

ITEM 312.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Central Virginia Training Center, Northern Virginia Training Center, and Southwestern				
2	Virginia Training Center.				
3	B. Out of this appropriation, \$705,000 the first year and \$705,000 the second year from the				
4	general fund shall be used to provide community-based services to individuals transitioning				
5	from state training centers to community settings who are not eligible for Medicaid.				
6	C.1. Out of this appropriation, \$27,722,785 the first year and \$27,722,785 the second year				
7	from the general fund shall be used to address census issues at state facilities by providing				
8	community-based services for those individuals determined clinically ready for discharge or				
9	for the diversion of admissions to state facilities by purchasing acute inpatient or community-				
10	based psychiatric services.				
11	2. Out of this appropriation, \$2,500,000 the first year and \$2,500,000 the second year from the				
12	general fund is provided for the development or acquisition of clinically appropriate housing				
13	options to provide comprehensive community-based care for individuals in state hospitals				
14	who have complex and resource-intensive needs who have been clinically determined able to				
15	move from a hospital to a more integrated setting. In addition to the funds in this Item,				
16	\$250,000 the first year and \$250,000 the second year from the general fund is provided in				
17	Item 311 of this Act for a community support team to assist housing providers in addressing				
18	the complex needs of residents who have been discharged from state facilities or individuals				
19	who are at risk of institutionalization.				
20	3. In addition to the amounts in C.1. above, \$770,000 the first year and \$770,000 the second				
21	year is provided to improve clinical and financial tracking of Discharge Assistance Planning				
22	funds and Local Inpatient Purchase of Services funds through the purchase of an information				
23	technology solution.				
24	4. In addition to the amounts in C.1. above, \$400,000 the first year is provided for the costs of				
25	a contract to study and implement rates for services provided with Discharge Assistance				
26	Planning funds. No fewer than ninety days prior to implementing any rate structure				
27	recommended by the study, the Department of Behavioral Health and Developmental				
28	Services shall report the results of the rate study and the projected impact of any changes in				
29	rates to the Governor and the Chairmen of the House Appropriations and Senate Finance and				
30	Appropriations Committee. This report shall be due no later than June 30, 2023.				
31	D. Out of this appropriation, \$6,429,216 the first year and \$6,429,216 the second year from				
32	the general fund shall be provided to the Department of Behavioral Health and Developmental				
33	Services to provide alternative transportation for adults and children under a temporary				
34	detention order on a statewide basis.. The department shall report to the Governor and				
35	Chairmen of the House Appropriations and Senate Finance and Appropriations Committees				
36	on the effectiveness and outcomes of the program funding by October 1 of each year.				
37	E. Out of this appropriation, \$1,150,000 the first year and \$1,150,000 the second year from				
38	the general fund shall be provided for costs of transporting individuals from state behavioral				
39	health facilities to their homes after being discharged from such facility as a result from an				
40	admission under a temporary detention order.				
41	F. Out of this appropriation, \$2,000,000 the first year and \$3,359,416 the second year from				
42	the general fund is provided for a program of alternative custody for individuals under a				
43	temporary detention order who are awaiting transport to an inpatient bed. The Department of				
44	Behavioral Health and Developmental Services, in consultation with local law enforcement,				
45	community services boards, and other stakeholders as appropriate, shall implement a plan to				
46	provide alternative custody options for individuals under temporary detention orders to reduce				
47	the length of time law enforcement resources are involved and improve patient outcomes.				
48	G. Out of this appropriation, \$6,885,488 the first year and \$10,835,488 the second year from				
49	the general fund shall be provided to the Department of Behavioral Health and Developmental				
50	Services to contract with the Virginia Mental Health Access Program to develop integrated				
51	mental health services for children.				
52	H. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from the				
53	general fund and \$1,416,398 the second year from nongeneral funds shall be used to purchase				
54	and distribute additional REVIVE! kits and associated doses of naloxone used to treat				

ITEM 312.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	emergency cases of opioid overdose or suspected opioid overdose. The nongeneral funds				
2	shall be provided from amounts reflected in the Commonwealth Opioid Abatement and				
3	Remediation Fund.				
4	I. Out of this appropriation, \$8,400,000 in the first year and \$8,400,000 the second year				
5	from the general fund shall be used to address census issues at state facilities by providing				
6	community-based services for children and adolescents determined clinically ready for				
7	discharge or for the diversion of admissions of children and adolescents to state facilities				
8	by purchasing acute inpatient services, step-down services, or community-based services				
9	as an alternative to inpatient care.				
10	J. The Department of Behavioral Health and Developmental Services shall post its annual				
11	federal State Targeted Response Report and State Opioid Response (SOR) Report on its				
12	website no later than December 31 of each year. The report will describe the amount of				
13	any grants received from the Substance Abuse and Mental Health Services Administration				
14	as part of any State Opioid Response grant funding, and shall provide information on how				
15	the funds are distributed among programs, the number of individuals served if available,				
16	and any available outcome-based data specific to treatment engagement and impact on				
17	access.				
18	K. Out of this appropriation, \$89,396 the first year and \$89,396 the second year from the				
19	general fund shall be provided to the Department of Behavioral Health and Developmental				
20	Services to contract with the Jewish Foundation for Group Homes to expand the				
21	Transitioning Youth program for individuals with developmental disability who are aging				
22	out and exiting the school system in Loudoun County.				
23	L1. Out of this appropriation, \$1,700,000 the first year and \$1,700,000 the second year is				
24	provided to make grants to members of the Virginia Association of Recovery Residences				
25	for recovery support services. The association must ensure that members accredited by the				
26	Council on Accreditation of Peer Recovery Support Services (CAPRSS) receive a share of				
27	these funds. The Department of Behavioral Health and Developmental Services shall				
28	report to the Governor and the Chairmen of the House Appropriations and Senate Finance				
29	and Appropriations Committees by August 1, 2023, and each year thereafter, on the				
30	distribution and use of the funds authorized in this paragraph.				
31	2. The Department of Behavioral Health and Developmental Services shall monitor				
32	credentialed recovery homes for regulatory compliance and consult with the Virginia				
33	Association of Recovery Residences to keep the agency's public website's list of				
34	credentialed recovery homes up to date.				
35	M.1. Out of this appropriation, \$3,547,000 the first year and \$3,547,000 the second year				
36	from the general fund shall be used to support the diversion and discharge of individuals				
37	with a diagnosis of dementia. Priority shall be given to those individuals who would				
38	otherwise be served by state facilities.				
39	2. Of the amounts in M.1., \$2,820,000 in each year shall be used to establish contracts to				
40	support the diversion and discharge into private settings of individuals with a diagnosis of				
41	dementia.				
42	3. Of the amounts in M.1., \$727,000 in each year shall be used for a pilot mobile crisis				
43	program targeted for individuals with a diagnosis of dementia.				
44	N. Out of this appropriation, \$8,774,784 the first year and \$8,774,784 the second year				
45	from the general fund is provided from a transfer from Item 313 for Community Services				
46	Boards and a Behavioral Health Authority to divert admissions from state hospitals by				
47	purchasing acute inpatient or community-based psychiatric services at private facilities.				
48	This funding shall continue to be allocated to Community Services Boards and a				
49	Behavioral Health Authority for such purpose in an efficient and effective manner so as				
50	not to disrupt local service contracts and to allow for expeditious reallocation of unspent				
51	funding between Community Services Boards and a Behavioral Health Authority.				
52	O. Out of this appropriation, \$7,500,000 the first year and \$7,500,000 the second year				
53	from the general fund is provided for the Department of Behavioral Health and				
54	Developmental Services (DBHDS) to pursue alternative inpatient options to state				

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1	behavioral health hospital care or to increase capacity in the community for patients on the				
2	Extraordinary Barriers List through projects that will reduce census pressures on state				
3	hospitals. Proposals shall be evaluated on: (i) the expected impact on state hospital bed use,				
4	including the impact on the extraordinary barrier list; (ii) the speed by which the project can				
5	become operational; (iii) the start-up and ongoing costs of the project; (iv) the sustainability				
6	of the project without the use of ongoing general funds; (v) the alignment between the project				
7	target population and the population currently being admitted to state hospitals; and (vi) the				
8	applicant's history of success in meeting the needs of the target population. No project shall be				
9	allocated more than \$2,500,000 each year. Projects may include public-private partnerships,				
10	to include contracts with private entities. The department shall give preference to projects that				
11	serve individuals who would otherwise be admitted to a state hospital operated by DBHDS,				
12	that can be rapidly implemented, and provide the best long-term outcomes for patients.				
13	Consideration may be given to regional projects addressing comprehensive psychiatric				
14	emergency services, complex medical and neuro-developmental needs of children and				
15	adolescents receiving inpatient behavioral health services, and addressing complex medical				
16	needs of adults receiving inpatient behavioral health services.				
17	P. Out of this appropriation, \$1,650,000 the second year from the general fund is provided for				
18	pilot programs for individuals with dementia <i>or geriatric individuals</i> who may otherwise be				
19	admitted to a state facility. In addition to the funds provided in this Item, \$1,650,000 the first				
20	year is provided for these purposes in Item 486 out of the revenues received from the federal				
21	distributions of the American Rescue Plan Act of 2021.				
22	Q. Out of this appropriation, \$2,500,000 the first year from the general fund shall be provided				
23	for one-time start-up costs for the Northwestern Crisis Response Center to provide crisis				
24	services for 23 hours per day, seven days per week to individuals with a mental illness.				
25	R. Out of this appropriation, \$2,500,000 the first year from the general fund shall be provided				
26	for one-time start-up costs to establish a crisis receiving center in Southwest Virginia.				
27	S. Out of this appropriation, \$2,500,000 the first year from the general fund shall be provided				
28	for one-time start-up costs to establish a crisis receiving center in Prince William County.				
29	T. Out of this appropriation, \$50,000 the first year from the general fund shall be provided to				
30	contract with Restoration and Hope House to provide for housing and programs for				
31	nonviolent offenders looking to transition back into the community.				
32	U.1. The Department of Behavioral Health and Developmental Services is authorized to enter				
33	into a contract for use of up to eight beds of a 20-bed acute, inpatient psychiatric unit at				
34	Chesapeake Regional Healthcare for state purposes to increase diversion from state mental				
35	health hospitals. The department shall begin developing the contract after Chesapeake				
36	Regional Healthcare starts construction of the 20-bed acute, inpatient psychiatric unit. As part				
37	of the contracting process, the department shall develop an estimate of the potential cost				
38	savings of diversion from state hospital beds that could occur with use of the eight beds and				
39	provide an estimated annual state contribution to support Chesapeake Regional Healthcare.				
40	The department shall execute the contract contingent on an appropriation by the General				
41	Assembly. The department shall report to the Chairs of the House Appropriations and Senate				
42	Finance and Appropriations Committees by December 1 of each year on the status of the				
43	contract and any state contribution that has been estimated.				
44	2. Out of this appropriation, \$4,500,000 the second year from the general fund shall be				
45	provided to Chesapeake Regional Hospital for support in providing and enhancing behavioral				
46	health services in the emergency department or outpatient or inpatient settings. The funding is				
47	one-time and any remaining balance on June 30, 2024, shall be reappropriated in the				
48	following fiscal year for this purpose.				
49	V. The Department of Behavioral Health and Developmental Services is authorized to accept				
50	unsolicited proposals from private providers to establish a pilot project for the purpose of				
51	acquiring clinically appropriate housing options for individuals on the Extraordinary Barriers				
52	List or to prevent unnecessary hospitalizations for appropriate individuals to address census				
53	issues at state facilities.				
54	W. Out of this appropriation, \$58,000,000 the second year from the general fund shall be				
55	provided to expand and modernize the comprehensive crisis services system, including, but				

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1	not limited to, investment in additional crisis receiving centers, crisis stabilization units,				
2	and enhancements to existing sites. Any remaining appropriation at year end shall be				
3	carried forward to the subsequent fiscal year for this purpose.				
4	X. Out of this appropriation, \$4,000,000 the second year from the general fund is provided				
5	for supervised residential care for 100 individuals. The department shall give priority to				
6	projects that prioritize individuals on the state's extraordinary barriers list. Projects may				
7	include public-private partnerships, to include contracts with private entities.				
8	Notwithstanding any other provision of law, contracts entered into pursuant to this				
9	paragraph shall be exempt from competition as otherwise required by the Virginia Public				
10	Procurement Act, §§ 2.2-4300 through 2.2-4377, Code of Virginia. The Department shall				
11	report quarterly on projects awarded with details on each project and its projected impact				
12	on the state's extraordinary barriers list. The report shall be submitted to the Chairs of				
13	House Appropriations and Senate Finance and Appropriations Committee no later than 30				
14	days after each quarter ends.				
15	Y. Out of this appropriation, \$10,000,000 the second year from the general fund is				
16	provided for the one-time costs of establishing additional mobile crisis services in				
17	underserved areas.				
18	Z. Out of this appropriation, \$250,000 from the general fund the second year shall be				
19	provided to Specially Adapted Resources Clubs (SPARC) to support essential day				
20	programs for adults with profound disabilities.				
21	AA. Out of this appropriation, \$100,000 the second year from the general fund shall be				
22	provided to On Our Own, a peer recovery center and supportive community that serves the				
23	community at no charge.				
24	Total for Department of Behavioral Health and				
25	Developmental Services.....			\$224,351,137	\$318,531,817
26	General Fund Positions.....	518.50	518.50		
27	Nongeneral Fund Positions.....	46.75	46.75		
28	Position Level.....	565.25	565.25		
29	Fund Sources: General.....	\$172,867,695	\$261,228,102		
30	Special.....	\$18,845,404	\$22,994,463		
31	Dedicated Special Revenue.....	\$2,000,378	\$3,671,592		
32	Federal Trust.....	\$30,637,660	\$30,637,660		
33	<b>Grants to Localities (790)</b>				
34	313. Financial Assistance for Health Services (44500)....			\$591,923,587	\$712,036,687
35					\$702,036,687
36	Community Substance Abuse Services (44501).....	\$125,418,211	\$125,483,993		
37	Community Mental Health Services (44506).....	\$360,089,572	<del>\$478,464,170</del>		
38			\$468,464,170		
39	Community Developmental Disability Services				
40	(44507).....	\$106,415,804	\$108,088,524		
41	Fund Sources: General.....	\$497,191,587	<del>\$614,582,889</del>		
42			\$604,582,889		
43	Dedicated Special Revenue.....	\$4,732,000	\$7,453,798		
44	Federal Trust.....	\$90,000,000	\$90,000,000		
45	Authority: Title 37.2, Chapters 5 and 6; Title 2.2, Chapter 53, Code of Virginia.				
46	A. It is the intent of the General Assembly that community mental health, intellectual				
47	disability and substance abuse services are to be improved throughout the state. Funds				
48	provided in this Item shall not be used to supplant the funding effort provided by localities				
49	for services existing as of June 30, 1996.				
50	B. Further, it is the intent of the General Assembly that funds appropriated for this Item				
51	may be used by Community Services Boards to purchase, develop, lease, or otherwise				
52	obtain, in accordance with §§ 37.2-504 and 37.2-605, Code of Virginia, real property				

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1	necessary to the provision of residential services funded by this Item.				
2	C. Out of the appropriation for this Item, funds are provided to Community Services Boards				
3	in an amount sufficient to reimburse the Virginia Housing Development Authority for				
4	principal and interest payments on residential projects for the mentally disabled financed by				
5	the Housing Authority.				
6	D. The Department of Behavioral Health and Developmental Services shall make all general				
7	fund payments to the Community Services Boards from this Item in twenty-four equal				
8	semimonthly installments, except for necessary budget revisions or the operational phase-in				
9	of new programs.				
10	E. Failure of a board to participate in Medicaid covered services and to meet all requirements				
11	for provider participation shall result in the termination of a like amount of state grant				
12	support.				
13	F. Community Services Boards may establish a line of credit loan for up to three months'				
14	operating expenses to assure adequate cash flow.				
15	G. Out of this appropriation \$190,000 the first year and \$190,000 the second year from the				
16	general fund shall be provided to Virginia Commonwealth University for the continued				
17	operation and expansion of the Virginia Autism Resource Center.				
18	H.1. Out of this appropriation, \$26,556,453 the first year and \$26,556,453 the second year				
19	from the general fund shall be provided for Virginia's Part C Early Intervention System for				
20	infants and toddlers with disabilities.				
21	2. By November 15 of each year, the department shall report to the Chairmen of the House				
22	Appropriations and Senate Finance and Appropriations Committees on the (a) total revenues				
23	used to support Part C services, (b) total expenses for all Part C services, (c) total number of				
24	infants, toddlers and families served using all Part C revenues, and (d) services provided to				
25	those infants, toddlers, and families.				
26	I. Out of this appropriation \$6,148,128 the first year and \$6,148,128 the second year from the				
27	general fund shall be provided for mental health services for children and adolescents with				
28	serious emotional disturbances, at risk for serious emotional disturbance, and/or with co-				
29	occurring disorders with priority placed on those children who, absent services, are at-risk for				
30	removal from the home due to placement by a local department of social services, admission				
31	to a congregate care facility or acute care psychiatric hospital or crisis stabilization facility,				
32	commitment to the Department of Juvenile Justice, or parental custody relinquishment. These				
33	funds shall be used exclusively for children and adolescents, not mandated for services under				
34	the Children's Services Act. The Department of Behavioral Health and Developmental				
35	Services shall provide these funds to Community Services Boards through the annual				
36	Performance Contract. The Community Services Boards shall develop a Mental Health				
37	Initiative funding plan in collaboration with the local Family and Assessment Planning Teams				
38	and/or Community Policy and Management Team. The funding plan shall be approved by the				
39	Community Policy and Management Teams of the localities. The department shall provide				
40	these funds to the Community Services Boards based on a funding methodology.				
41	J. The Commissioner, Department of Behavioral Health and Developmental Services shall				
42	allocate \$1,000,000 the first year and \$1,000,000 the second year from the federal Community				
43	Mental Health Services Block Grant for two specialized geriatric mental health services				
44	programs. One program shall be located in Health Planning Region II and one shall be located				
45	in Health Planning Region V. The programs shall serve elderly populations with mental				
46	illness who are transitioning from state mental health geriatric units to the community or who				
47	are at risk of admission to state mental health geriatric units. The commissioner is authorized				
48	to reduce the allocation in each year in an amount proportionate to any reduction in the				
49	federal Community Mental Health Services Block Grant funds awarded to the				
50	Commonwealth.				
51	K. The Commissioner, Department of Behavioral Health and Developmental Services shall				
52	allocate \$750,000 the first year and \$750,000 the second year from the federal Community				
53	Mental Health Services Block Grant for consumer-directed programs offering specialized				
54	mental health services that promote wellness, recovery and improved self-management. The				

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1	commissioner is authorized to reduce the allocation in each year in an amount				
2	proportionate to any reduction in the federal Community Mental Health Services Block				
3	Grant funds awarded to the Commonwealth.				
4	L. Out of this appropriation, \$2,197,050 the first year and \$2,197,050 the second year				
5	from the general fund shall be used for jail diversion and reentry services. Funds shall be				
6	distributed to community-based contractors based on need and community preparedness				
7	as determined by the commissioner.				
8	M. Out of this appropriation, \$2,400,000 the first year and \$2,400,000 the second year				
9	from the general fund shall be used for treatment and support services for substance use				
10	disorders, including individuals with acquired brain injury and co-occurring substance use				
11	disorders. Funded services shall focus on recovery models and the use of best practices.				
12	N. Out of this appropriation, \$2,780,645 the first year and \$2,780,645 the second year				
13	from the general fund shall be used to provide outpatient clinician services to children				
14	with mental health needs. Each Community Services Board shall receive funding as				
15	determined by the commissioner to increase the availability of specialized mental health				
16	services for children. The department shall require that each Community Services Board				
17	receiving these funds agree to cooperate with Court Service Units in their catchment areas				
18	to provide services to mandated and nonmandated children, in their communities, who				
19	have been brought before Juvenile and Domestic Relations Courts and for whom				
20	treatment services are needed to reduce the risk these children pose to themselves and				
21	their communities or who have been referred for services through family assessment and				
22	planning teams through the Children's Services Act.				
23	O. Out of this appropriation, \$17,701,997 the first year and \$17,701,997 the second year				
24	from the general fund shall be used to provide emergency services, crisis stabilization				
25	services, case management, and inpatient and outpatient mental health services for				
26	individuals who are in need of emergency mental health services or who meet the criteria				
27	for mental health treatment set forth pursuant to §§ <a href="#">19.2-169.6</a> , <a href="#">19.2-176</a> , <a href="#">19.2-177.1</a> ,				
28	<a href="#">37.2-808</a> , <a href="#">37.2-809</a> , <a href="#">37.2-813</a> , <a href="#">37.2-815</a> , <a href="#">37.2-816</a> , <a href="#">37.2-817</a> and <a href="#">53.1-40.2</a> of the Code of				
29	Virginia. Funding provided in this item also shall be used to offset the fiscal impact of (i)				
30	establishing and providing mandatory outpatient treatment, pursuant to House Bill 499				
31	and Senate Bill 246, 2008 Session of General Assembly; and (ii) attendance at involuntary				
32	commitment hearings by community services board staff who have completed the				
33	prescreening report, pursuant to §§ <a href="#">19.2-169.6</a> , <a href="#">19.2-176</a> , <a href="#">19.2-177.1</a> , <a href="#">37.2-808</a> , <a href="#">37.2-809</a> ,				
34	<a href="#">37.2-813</a> , <a href="#">37.2-815</a> , <a href="#">37.2-816</a> , <a href="#">37.2-817</a> and <a href="#">53.1-40.2</a> of the Code of Virginia.				
35	P. Out of this appropriation, \$10,475,000 the first year and \$10,475,000 the second year				
36	from the general fund shall be used to provide community crisis intervention services in				
37	each region for individuals with intellectual or developmental disabilities and co-occurring				
38	mental health or behavioral disorders.				
39	Q. Out of this appropriation, \$1,900,000 the first year and \$1,900,000 the second year				
40	from the general fund shall be used for community-based services in Health Planning				
41	Region V. These funds shall be used for services intended to delay or deter placement, or				
42	provide discharge assistance for patients in a state mental health facility.				
43	R. Out of this appropriation, \$2,000,000 the first year and \$2,000,000 the second year				
44	from the general fund shall be used for crisis stabilization and related services statewide				
45	intended to delay or deter placement in a state mental health facility.				
46	S. Out of this appropriation, \$8,400,000 the first year and \$12,600,000 the second year				
47	from the general fund shall be used to provide child psychiatry and children's crisis				
48	response services for children with mental health and behavioral disorders. These funds,				
49	divided among the health planning regions based on the current availability of the				
50	services, shall be used to hire or contract with child psychiatrists who can provide direct				
51	clinical services, including crisis response services, as well as training and consultation				
52	with other children's health care providers in the health planning region such as general				
53	practitioners, pediatricians, nurse practitioners, and community service boards staff, to				
54	increase their expertise in the prevention, diagnosis, and treatment of children with mental				
55	health disorders. Funds may also be used to create new or enhance existing community-				
56	based crisis response services in a health planning region, including mobile crisis teams				

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1	and crisis stabilization services, with the goal of diverting children from inpatient psychiatric				
2	hospitalization to less restrictive services in or near their communities. The Department of				
3	Behavioral Health and Developmental Services shall include details on the use of these funds				
4	in its annual report on the System Transformation, Excellence and Performance in Virginia				
5	(STEP-VA) process.				
6	T.1. Out of this appropriation, \$10,500,000 the first year and \$10,500,000 the second year				
7	from the general fund shall be used for up to 32 drop-off centers to provide an alternative to				
8	incarceration for people with serious mental illness and individuals with acquired brain injury				
9	and co-occurring serious mental health illness. Priority for new funding shall be given to				
10	programs that have implemented Crisis Intervention Teams pursuant to § 9.1-102 and § 9.1-				
11	187 et seq. of the Code of Virginia and have undergone planning to implement drop-off				
12	centers.				
13	2. Out of this appropriation, \$1,800,000 the first year and \$1,800,000 the second year from the				
14	general fund is provided for Crisis Intervention assessment centers in six unserved rural				
15	communities.				
16	3. Out of this appropriation, \$657,648 the first year and \$657,648 the second year from the				
17	general fund is provided to support CIT initiatives, including basic and advanced CIT training				
18	and law enforcement diversion, through one-time awards for advanced concepts in CIT				
19	Assessment Site programs. The department shall prioritize programs serving rural				
20	communities when determining the distribution of these funds.				
21	U. Out of this appropriation, \$2,750,000 the first year and \$2,750,000 the second year from				
22	the general fund shall be for crisis services for children with intellectual or developmental				
23	disabilities.				
24	V. Out of this appropriation, \$35,500,411 the first year and \$35,500,411 the second year from				
25	the general fund shall be used to provide community-based services or acute inpatient services				
26	in a private facility to individuals residing in state hospitals who have been determined				
27	clinically ready for discharge, and for continued services for those individuals currently being				
28	served under a discharge assistance plan. Of this appropriation, \$1,305,000 the first year and				
29	\$1,305,000 the second year shall be allocated for individuals currently or previously residing				
30	at Western State Hospital.				
31	W. Out of this appropriation, \$620,000 the first year and \$620,000 the second year from the				
32	general fund shall be used for telepsychiatry and telemedicine services.				
33	X. Out of this appropriation, \$4,000,000 the first year and \$4,000,000 the second year from				
34	the general fund shall be used for community-based mental health outpatient services for				
35	youth and young adults.				
36	Y. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
37	general fund shall be used to increase mental health inpatient treatment purchased in				
38	community hospitals. Priority shall be given to regions that exhaust available resources before				
39	the end of the year in order to ensure treatment is provided in the community and does not				
40	result in more restrictive placements.				
41	Z.1. Out of this appropriation, \$42,788,710 the first year and <del>\$80,588,710</del> \$70,588,710 the				
42	second year from the general fund is provided for programs for permanent supportive housing				
43	for individuals with serious mental illness.				
44	2. The Department of Behavioral Health and Developmental Services shall report on the				
45	number of individuals who are discharged from state behavioral health hospitals who receive				
46	supportive housing services, the number of individuals who are on the hospitals' extraordinary				
47	barrier list who could receive supportive housing services, and the number of individuals in				
48	the community who receive supportive housing services and whether they are at risk of				
49	institutionalization. In addition, the department shall report on the average length of stay in				
50	permanent supportive housing for individuals receiving such services and report how the				
51	funding is reinvested when individuals discontinue receiving such services. The report shall				
52	be provided to the Chairmen of the House Appropriations and Senate Finance and				
53	Appropriations Committee by November 1 of each year.				
54	3. In addition to the amounts provided in Z.1., \$2,500,000 the first year and \$2,500,000 the				



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1	second year from the general fund is provided for permanent supportive housing for				
2	individuals with serious mental illness residing in the Northern Virginia region.				
3	AA. Out of this appropriation, \$14,512,833 the first year and \$16,185,533 the second year				
4	from the general fund shall be used for a program of rental subsidies for individuals with				
5	intellectual or developmental disabilities.				
6	BB. Out of this appropriation, \$5,000,000 the first year and \$5,000,000 the second year				
7	from the general fund is provided to increase access to medication assisted treatment for				
8	individuals with substance use disorders. In expending this amount, the department shall				
9	ensure that a portion of the funding received by the Community Services Board or				
10	Behavioral Health Authority is used for appropriate long-acting, injectable prescription				
11	drug treatment regimens for individuals who are in need of medication assisted treatment				
12	while (i) on probation, (ii) incarcerated, or (iii) upon their release to the community. The				
13	department shall ensure that a portion of the funding received by the Community Services				
14	Board or Behavioral Health Authority is used for non-narcotic, non-addictive prescription				
15	drug treatment regimens for individuals who are not able for clinical or other reasons to				
16	participate in buprenorphine or methadone based drug treatment regimens. In expending				
17	the funding, Community Services Boards or a Behavioral Health Authority shall also				
18	prioritize the use of such funds for individuals who are not covered by insurance.				
19	CC. Out of this appropriation, \$1,000,000 the first year and \$1,000,000 the second year				
20	from the general fund is provided for community detoxification and sobriety services for				
21	individuals in crisis.				
22	DD. Out of this appropriation, \$880,000 the first year and \$880,000 the second year from				
23	the general fund is provided for one regional, multi-disciplinary team for older adults. This				
24	team shall provide clinical, medical, nursing, and behavioral expertise and psychiatric				
25	services to nursing facilities and assisted living facilities.				
26	EE. Out of this appropriation, \$3,367,945 the first year and \$3,433,727 the second year				
27	from the general fund shall be used to provide permanent supportive housing to pregnant				
28	or parenting women with substance use disorders.				
29	FF. Out of this appropriation, \$2,250,447 the first year and \$2,250,447 the second year				
30	from the general fund shall be used to divert admissions from state hospitals by				
31	purchasing acute inpatient or community-based psychiatric services at private facilities.				
32	GG. Out of this appropriation, \$3,700,800 the first year and \$3,700,800 the second year				
33	from the general fund is provided for discharge planning at jails for individuals with				
34	serious mental illness. Funding shall be used to create staff positions in Community				
35	Services Boards may also be used for emergency client assistance resources and will be				
36	implemented in at least five jails with a high percentage of inmates with serious mental				
37	illness.				
38	HH. Out of this appropriation, \$708,663 the first year and \$708,663 the second year from				
39	the general fund is provided to establish an Intercept 2 diversion program in up to three				
40	rural communities. The funding shall be used for staffing and to provide access to				
41	treatment services.				
42	II. Out of this appropriation, \$1,100,000 the first year and \$1,100,000 the second year				
43	from the general fund is provided to establish the Appalachian Telemental Health				
44	Initiative, a telemental health pilot program. Any funds that remain unspent at the end of				
45	each fiscal year shall be carried forward to the subsequent fiscal year for these purposes.				
46	JJ. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from				
47	the general fund shall be provided to the Department of Behavioral Health and				
48	Developmental Services to contract with Best Buddies Virginia to expand inclusion				
49	services for people with intellectual and developmental disabilities to the Richmond and				
50	Virginia Beach areas of the state.				
51	KK. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from				
52	the general fund is provided to the Fairfax-Falls Church Community Services Board to				
53	fully fund its Program of Assertive Community Treatment (PACT) Team.				

ITEM 313.		Item Details(\$)		Appropriations(\$)	
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1	LL.1. Out of this appropriation, \$77,919,074 the first year and \$117,221,375 the second year				
2	from the general fund and \$4,732,000 the first year and \$7,453,798 the second year from the				
3	Crisis Call Center Fund is provided for services by Community Services Boards and				
4	Behavioral Health Authorities pursuant to the System Transformation, Excellence and				
5	Performance in Virginia (STEP-VA) process and Chapters 607 and 683, 2017 Acts of				
6	Assembly.				
7	2. Of the amounts in LL.1., \$10,795,651 the first year and \$10,795,651 the second year from				
8	the general fund is provided for same day access to mental health screening services.				
9	3. Of the amounts in LL.1., \$7,440,000 the first year and \$7,440,000 the second year from the				
10	general fund is provided for primary care outpatient screening services.				
11	4. Of the amounts in LL.1., \$21,924,980 the first year and \$21,924,980 the second year from				
12	the general fund is provided for outpatient mental health and substance use services.				
13	5. Out of the amounts in LL.1., \$2,000,000 the first year and \$2,000,000 the second year from				
14	the general fund is provided for crisis detoxification services.				
15	6. Out of the amounts in LL.1., \$13,954,924 the first year and \$26,954,924 the second year				
16	from the general fund is provided for crisis services for individuals with mental health or				
17	substance use disorders. In addition to the funds provided in this Item, \$13,000,000 the first				
18	year is provided for these purposes in Item 486 of this Act out of the revenues received from				
19	the federal distributions of the American Rescue Plan Act of 2021.				
20	7. Out of the amounts in LL.1., \$3,840,490 the first year and \$3,840,490 the second year from				
21	the general fund is provided for military and veterans services.				
22	8. Out of the amounts in LL.1., \$5,334,000 the first year and \$5,334,000 the second year from				
23	the general fund is provided for peer support and family services.				
24	9. Out of the amounts in LL.1., \$7,762,376 the first year from American Rescue Plan Act				
25	funds and \$3,199,999 the first year and \$10,962,375 the second year from the general fund is				
26	provided for the ancillary costs of expanding services at Community Services Boards and				
27	Behavioral Health Authorities.				
28	10. Out of the amounts in LL.1., \$4,732,000 the first year and \$2,732,000 the second year				
29	from the general fund and \$4,732,000 the first year and \$7,453,798 the second year from the				
30	Crisis Call Center Fund is provided for crisis call center dispatch staff.				
31	11. Out of the amounts in LL.1., \$2,190,000 the first year from American Rescue Act Plan				
32	funds and \$3,820,000 the second year from the general fund is provided for psychiatric				
33	rehabilitation services.				
34	12. Out of the amounts in LL.1., \$6,514,625 the first year from American Rescue Act Plan				
35	funds and \$6,514,625 the second year from the general fund is provided for care coordination				
36	services.				
37	13. Out of the amounts in LL.1., \$3,178,500 the first year from American Rescue Act Plan				
38	funds and \$4,078,500 the second year from the general fund is provided for STEP-VA-				
39	specific case management services.				
40	14. Out of the amounts in LL.1., \$937,300 the second year from the general fund is provided				
41	for regional management of STEP-VA services.				
42	15. Out of the amounts in LL.1. \$2,600,000 the first year from American Rescue Act Plan				
43	funds and \$5,190,000 the second year from the general fund is provided for one-time grants to				
44	Community Services Boards for the cost of transitioning data systems and clinical processes.				
45	MM. Out of this appropriation, \$6,000,000 the first year and \$6,000,000 the second year from				
46	the general fund shall be provided to establish mental health awareness response and				
47	community understanding services alert system programs and community care teams pursuant				
48	to legislation adopted in the 2020 Special Session I of the General Assembly. Each local or				
49	regional implementation area program shall receive \$600,000 each year for this purpose.				
50	NN. The Department of Behavioral and Health and Developmental Services shall have the				

ITEM 313.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	authority to promulgate emergency regulations for the Individual and Family Supports				
2	Program (IFSP) to ensure an annual public input process that shall include a survey of				
3	needs and satisfaction in order to establish plans for the disbursement of IFSP funding in				
4	consultation with the IFSP State Council. Based on the Council's recommendation and				
5	information gathered during the public input period, the department will draft program				
6	guidelines to establish annual funding priorities. The department will establish program				
7	criteria for each of the required program categories and publish them as part of the Annual				
8	Funding Program Guidelines. Additionally, program guidelines shall establish eligibility				
9	criteria, the award process, appeals processes, and any other protocols necessary for				
10	ensuring the effective use of state funds. All criteria will be published prior to opening				
11	the funding opportunity.				
12	OO. Out of this appropriation, \$650,000 the first year and \$650,000 the second year from				
13	the general fund shall be used to expand and provide additional support to existing mental				
14	health dockets.				
15	PP. Out of this appropriation, \$5,000,000 the second year from the general fund is				
16	provided for substance use disorder-specific training of the intellectual disability and				
17	developmental disability provider workforce, the development and implementation of				
18	substance use disorder treatment services specific to transition age youth up the age of 25,				
19	and additional critical substance use disorder services related to the COVID-19 pandemic.				
20	In addition to the funds included in this Item, \$5,000,000 the first year is provided for				
21	these purposes in Item 486 of this Act out of revenues received from the federal				
22	distributions of the American Rescue Plan Act of 2021.				
23	QQ.1. Out of this appropriation, \$2,000,000 the first year and \$9,000,000 the second year				
24	from the general fund shall be provided for the costs of Crisis Intervention Team				
25	Assessment Centers or Crisis Stabilization Units that have expanded, or intend to expand,				
26	to 23 hour crisis receiving or observation centers. In addition to the funds included in this				
27	Item, \$7,000,000 the first year is provided for these purposes in Item 486 of this Act out of				
28	revenues received from the federal distributions of the American Rescue Plan Act of 2021.				
29	2. Out of the amounts appropriated in paragraph QQ.1. of this item, an amount necessary				
30	to develop and implement a crisis receiving center serving adults ages 18 and older in the				
31	Region 2000 area (Amherst County, Appomattox County, Bedford County, Campbell				
32	County, and Lynchburg City) shall be allocated for this purpose by the Department of				
33	Behavioral Health and Developmental Services, which shall contract with Horizon				
34	Behavioral Health to implement the crisis receiving center. As part of the contract with				
35	Horizon Behavioral Health, the department shall require the establishment of an advisory				
36	board with law enforcement representatives from the Region 2000 localities to oversee,				
37	including financial oversight, and provide governance of the crisis receiving center.				
38	3. The Department of Behavioral Health and Developmental Services shall ensure that				
39	health systems, hospitals, and other community providers are eligible to participate in				
40	developing and implementing 23-hour crisis receiving or observation centers.				
41	RR. Out of this appropriation, \$18,000,000 the second year from the general fund shall be				
42	provided to increase compensation for staff that work for Community Services Boards or a				
43	Behavioral Health Authority, effective January 1, 2024. The Department of Behavioral				
44	Health and Developmental Services may fund up to 100 percent of the costs of the				
45	compensation increase.				
46	SS. Out of this appropriation, \$4,350,000 the second year from the general fund is				
47	provided to increase funding for the first three steps of STEP-VA, including same day				
48	access, primary care screening, and outpatient services at community service boards.				
49	Total for Grants to Localities.....			\$591,923,587	\$712,036,687
50					\$702,036,687
51	Fund Sources: General.....	\$497,191,587	\$614,582,889		
52			\$604,582,889		
53	Dedicated Special Revenue.....	\$4,732,000	\$7,453,798		
54	Federal Trust.....	\$90,000,000	\$90,000,000		
55	314. Not set out.				

ITEM 314.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	315.	Not set out.				
2	316.	Not set out.				
3	317.	Not set out.				
4	318.	Not set out.				
5	319.	Not set out.				
6	320.	Not set out.				
7	321.	Not set out.				
8	322.	Not set out.				
9	323.	Not set out.				
10	324.	Not set out.				
11	325.	Not set out.				
12	326.	Not set out.				
13	327.	Not set out.				
14	328.	Not set out.				
15	329.	Not set out.				
16	Grand Total for Department of Behavioral Health and Developmental Services.....					
17						
18						
19	General Fund Positions.....		5,885.00	5,885.00		
20	Nongeneral Fund Positions.....		1,262.75	1,262.75		
21	Position Level.....		7,147.75	7,147.75		
22	Fund Sources: General.....		\$1,151,807,058	<del>\$1,409,038,129</del>		
23				<del>\$1,399,038,129</del>		
24	Special.....		\$120,869,118	\$132,802,785		
25	Dedicated Special Revenue.....		\$6,732,378	\$11,125,390		
26	Federal Trust.....		\$121,037,660	\$121,037,660		
27	330.	Not set out.				
28	331.	Not set out.				
29	332.	Not set out.				
30	333.	Not set out.				
31	334.	Not set out.				
32	335.	Not set out.				
33	336.	Not set out.				

ITEM 336.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	337.	Not set out.				
2	338.	Not set out.				
3	339.	Not set out.				
4	<b>§ 1-12. DEPARTMENT OF SOCIAL SERVICES (765)</b>					
5	340.	Program Management Services (45100).....			\$57,657,545	\$50,975,425
6						\$52,104,252
7		Training and Assistance to Local Staff (45101).....	\$5,225,542	\$5,225,542		
8		Central Administration and Quality Assurance for				
9		Benefit Programs (45102).....	\$14,175,415	<del>\$14,175,415</del>		
10				\$15,304,242		
11		Central Administration and Quality Assurance for				
12		Family Services (45103).....	\$18,550,754	\$13,868,634		
13		Central Administration and Quality Assurance for				
14		Community Programs (45105).....	\$14,884,896	\$12,884,896		
15		Central Administration and Quality Assurance for				
16		Child Care Activities (45107).....	\$4,820,938	\$4,820,938		
17		Fund Sources: General.....	\$27,636,380	<del>\$21,245,320</del>		
18				\$22,271,422		
19		Special.....	\$100,000	\$100,000		
20		Dedicated Special Revenue.....	\$267,722	\$267,722		
21		Federal Trust.....	\$29,653,443	<del>\$29,362,383</del>		
22				\$29,465,108		
23	Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 2 and 21, Code of Virginia; Title VI,					
24	Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended,					
25	Federal Code.					
26	A. The Department of Social Services, in collaboration with the Office of Children's					
27	Services, shall provide training to local staff serving on Family Assessment and Planning					
28	Teams and Community Policy and Management Teams. Training shall include, but need					
29	not be limited to, the federal and state requirements pertaining to the provision of the					
30	foster care services funded under § 2.2-5211, Code of Virginia. The training shall also					
31	include written guidance concerning which services remain the financial responsibility of					
32	the local departments of social services. Training shall be provided on a regional basis at					
33	least once per year. Written guidance shall be updated and provided to local Office of					
34	Children's Services teams whenever there is a change in allowable expenses under federal					
35	or state guidelines. In addition, the Department of Social Services shall provide ongoing					
36	local oversight of its federal and state requirements related to the provision of services					
37	funded under § 2.2-5211, Code of Virginia.					
38	B.1. By November 1 of each year, the Department of Planning and Budget, in cooperation					
39	with the Department of Social Services, shall prepare and submit a forecast of					
40	expenditures for cash assistance provided through the Temporary Assistance for Needy					
41	Families (TANF) program, mandatory child day care services under TANF, foster care					
42	maintenance and adoption subsidy payments, upon which the Governor's budget					
43	recommendations will be based, for the current and subsequent two years to the Chairmen					
44	of the House Appropriations and Senate Finance and Appropriations Committees.					
45	2. The forecast of expenditures shall detail the incremental general fund and federal fund					
46	adjustments required by the forecast each year in the biennial budget. The Department of					
47	Planning and Budget shall convene a meeting on or before October 15 of each year with					
48	the appropriate staff from the Department of Social Services, and the House					
49	Appropriations and Senate Finance and Appropriations Committees to review current					
50	trends and assumptions used in the forecasts prior to their finalization.					
51	C. The Department of Social Services shall provide administrative support and technical					
52	assistance to the Family and Children's Trust Fund (FACT) Board of Trustees established					

ITEM 340.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	in §§ <a href="#">63.2-2100</a> through <a href="#">63.2-2103</a> , Code of Virginia.				
2	D. Out of this appropriation, \$1,829,111 the first year and \$1,829,111 the second year from				
3	the general fund and \$1,829,111 the first year and \$1,829,111 the second year from				
4	nongeneral funds shall be provided to fund the Supplemental Nutrition Assistance Program				
5	(SNAP) Electronic Benefit Transfer (EBT) contract cost.				
6	E.1. Out of this appropriation, 10 positions and the associated funding shall be dedicated to				
7	providing on-going financial oversight of foster care services. Each of the 10 positions, with				
8	two working out of each regional office, shall assess and review all foster care spending to				
9	ensure that state and federal standards are met. None of these positions shall be used for				
10	quality, information technology, or clerical functions.				
11	2. By September 1 of each year, the department shall report to the Governor, the Chairmen of				
12	the House Appropriations and Senate Finance and Appropriations Committees, and the				
13	Director, Department of Planning and Budget regarding the foster care program's statewide				
14	spending, error rates and compliance with state and federal reviews.				
15	F. The Department of Social Services shall provide an annual report on the activities of the				
16	Office of New Americans by December 1 of each year.				
17	G. The Department of Social Services shall not implement the Percentage of Income Payment				
18	Program (PIPP) until such time as there is adequate fee revenue from the universal service				
19	fee, collected by utility providers, available to fund the administrative costs necessary to				
20	implement the program, not to exceed \$3.0 million. Maximum allowable administrative costs				
21	are in totality and include costs borne by the Department of Housing and Community				
22	Development for PIPP administration.				
23	H. Out of this appropriation, \$54,309 the first year and \$54,309 the second year from the				
24	general fund and \$162,926 the first year and \$162,926 the second year from nongeneral funds				
25	shall be provided to implement the Virginia Facilitated Enrollment Program.				
26	I. Out of this appropriation, \$2,000,000 the first year from the general fund shall be provided				
27	to resettlement agencies to provide assistance to refugees that relocate to the Commonwealth.				
28	J. The Department of Social Services shall create a workgroup to study Temporary Assistance				
29	for Needy Families (TANF) block grant spending. The workgroup shall include appropriate				
30	staff from the Office of the Secretary of Health and Human Resources, the Department of				
31	Planning and Budget, and the House Appropriations and Senate Finance and Appropriations				
32	Committees. DSS shall submit a final report with options and recommendations for changes				
33	necessary to ensure annual structural balance in state TANF spending. These				
34	recommendations, if accepted, shall ensure that planned spending shall not exceed the annual				
35	federal TANF award beginning in FY 2025. The report shall be made to the Governor, Chairs				
36	of the House Appropriations and Senate Finance and Appropriations Committees, and the				
37	Director, Department of Planning and Budget by September 1, 2022.				
38	K. Out of this appropriation, \$291,060 the first year from the general fund and \$291,060 the				
39	first year from nongeneral funds and five positions shall be provided to support the				
40	development of collaborative partnerships between local departments of social services to				
41	increase capacity to approve kinship caregivers and recruit, train, and develop locally				
42	approved foster parents.				
43	L.1. Out of this appropriation, \$1,100,000 the first year from the general fund shall be				
44	provided to create an enhanced treatment foster care pilot program. This program will serve				
45	foster homes caring for high acuity children and provide participating foster families with an				
46	annual stipend of up to \$45,000.				
47	2. Out of the amounts in L.1., \$200,000 the first year from the general fund shall be provided				
48	to foster care agencies to cover the costs of coordination, recruitment, and additional training.				
49	M. Out of this appropriation, \$3,000,000 the first year from the general fund shall be provided				
50	to support the initiatives of the Safe and Sound Task Force including community-based				
51	treatments, support for kinship, foster and adoptive families, and trauma-informed care for				
52	children in foster care who are displaced or who are at risk of being displaced.				

ITEM 340.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	<i>N.I. Out of this appropriation, \$2,258,691 the second year from the general fund shall be</i>				
2	<i>provided to meet the terms of the settlement agreement between the Department of Social</i>				
3	<i>Services and the federal Food and Nutrition Services for an overissuance of Supplemental</i>				
4	<i>Nutrition Assistance Program (SNAP) benefits. The amount provided shall only be used to</i>				
5	<i>cover costs outlined in this settlement agreement that expires September 30, 2026.</i>				
6	<i>2. Any unexpended balances from the amount appropriated in N.I., at the close of</i>				
7	<i>business on June 30 of the fiscal year, shall not revert to the general fund, but shall be</i>				
8	<i>carried forward and reappropriated for this purpose.</i>				
9	341. Financial Assistance for Self-Sufficiency Programs				
10	and Services (45200).....			\$163,668,940	<del>\$161,265,129</del>
11					\$162,908,192
12	Temporary Assistance for Needy Families (TANF)				
13	Cash Assistance (45201).....	\$85,759,181	<del>\$86,357,163</del>		\$80,357,163
14					
15	Temporary Assistance for Needy Families (TANF)				
16	Employment Services (45212).....	\$17,045,689	\$17,045,689		
17	Supplemental Nutrition Assistance Program				
18	Employment and Training (SNAPET) Services				
19	(45213).....	\$2,205,341	\$2,205,341		
20	Temporary Assistance for Needy Families (TANF)				
21	Child Care Subsidies (45214).....	\$38,707,424	<del>\$38,707,424</del>		\$46,350,487
22					
23	At-Risk Child Care Subsidies (45215).....	\$2,864,671	\$2,864,671		
24	Unemployed Parents Cash Assistance (45216).....	\$17,086,634	\$14,084,841		
25	Fund Sources: General.....	\$91,730,258	\$88,728,465		
26	Federal Trust.....	\$71,938,682	<del>\$72,536,664</del>		\$74,179,727
27					
28	Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 1 through 7, Code of Virginia; Title				
29	VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as				
30	amended, Federal Code.				
31	A. It is hereby acknowledged that as of June 30, 2021 there existed with the federal				
32	government an unexpended balance of <del>\$130,397,626</del> \$130,235,860 in federal Temporary				
33	Assistance for Needy Families (TANF) block grant funds which are available to the				
34	Commonwealth of Virginia to reimburse expenditures incurred in accordance with the				
35	adopted State Plan for the TANF program. Based on projected spending levels and				
36	appropriations in this act, the Commonwealth's accumulated balance for authorized federal				
37	TANF block grant funds is estimated at <del>\$79,652,390</del> \$92,600,313 on June 30, 2022;				
38	<del>\$49,119,392</del> \$60,830,134 on June 30, 2023; and <del>\$17,988,412</del> \$24,552,371 on June 30,				
39	2024.				
40	B. No less than 30 days prior to submitting any amendment to the federal government				
41	related to the State Plan for the Temporary Assistance for Needy Families program, the				
42	Commissioner of the Department of Social Services shall provide the Chairmen of the				
43	House Appropriations and Senate Finance an Appropriations Committees as well as the				
44	Director, Department of Planning and Budget written documentation detailing the				
45	proposed policy changes. This documentation shall include an estimate of the fiscal				
46	impact of the proposed changes and information summarizing public comment that was				
47	received on the proposed changes.				
48	C. Notwithstanding any other provision of state law, the Department of Social Services				
49	shall maintain a separate state program, as that term is defined by federal regulations				
50	governing the Temporary Assistance for Needy Families (TANF) program, 45 C.F.R. §				
51	260.30, for the purpose of providing welfare cash assistance payments to able-bodied two-				
52	parent families. The separate state program shall be funded by state funds and operated				
53	outside of the TANF program. Able-bodied two-parent families shall not be eligible for				
54	TANF cash assistance as defined at 45 C.F.R. § 260.31 (a)(1), but shall receive benefits				
55	under the separate state program provided for in this paragraph. Although various				
56	conditions and eligibility requirements may be different under the separate state program,				
57	the basic benefit payment for which two-parent families are eligible under the separate				

ITEM 341.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	state program shall not be less than what they would have received under TANF. The				
2	Department of Social Services shall establish regulations to govern this separate state				
3	program.				
4	D. As a condition of this appropriation, the Department of Social Services shall disregard the				
5	value of one motor vehicle per assistance unit in determining eligibility for cash assistance in				
6	the Temporary Assistance for Needy Families (TANF) program and in the separate state				
7	program for able-bodied two-parent families.				
8	E. The Department of Social Services, in collaboration with local departments of social				
9	services, shall maintain minimum performance standards for all local departments of social				
10	services participating in the Virginia Initiative for Education and Work (VIEW) program. The				
11	department shall allocate VIEW funds to local departments of social services based on these				
12	performance standards and VIEW caseloads. The allocation formula shall be developed and				
13	revised in cooperation with the local social services departments and the Department of				
14	Planning and Budget.				
15	F. A participant whose Temporary Assistance for Needy Families (TANF) financial				
16	assistance is terminated due to the receipt of 24 months of assistance as specified in § 63.2-				
17	612, Code of Virginia, or due to the closure of the TANF case prior to the completion of 24				
18	months of TANF assistance, excluding cases closed with a sanction for noncompliance with				
19	the Virginia Initiative for Education and Work program, shall be eligible to receive				
20	employment and training assistance for up to 12 months after termination, if needed, in				
21	addition to other transitional services provided pursuant to § 63.2-611, Code of Virginia.				
22	G. The Department of Social Services, in conjunction with the Department of Correctional				
23	Education, shall identify and apply for federal, private and faith-based grants for pre-release				
24	parenting programs for non-custodial incarcerated parent offenders committed to the				
25	Department of Corrections, including but not limited to the following grant programs:				
26	Promoting Responsible Fatherhood and Healthy Marriages, State Child Access and Visitation				
27	Block Grant, Serious and Violent Offender Reentry Initiative Collaboration, Special				
28	Improvement Projects, § 1115 Social Security Demonstration Grants, and any new grant				
29	programs authorized under the federal Temporary Assistance for Needy Families (TANF)				
30	block grant program.				
31	H. Out of this appropriation, \$2,647,305 the first year and \$2,647,305 the second year from				
32	the general fund shall be provided to support state child care programs.				
33	I. Out of this appropriation, the Department of Social Services shall use \$4,800,000 the first				
34	year and \$4,800,000 the second year from the federal Temporary Assistance to Needy				
35	Families (TANF) block grant to provide to each TANF recipient with two or more children in				
36	the assistance unit a monthly TANF supplement equal to the amount the Division of Child				
37	Support Enforcement collects up to \$200, less the \$100 disregard passed through to such				
38	recipient. The TANF child support supplement shall be paid within two months following				
39	collection of the child support payment or payments used to determine the amount of such				
40	supplement. For purposes of determining eligibility for medical assistance services, the TANF				
41	supplement described in this paragraph shall be disregarded. In the event there are sufficient				
42	federal TANF funds to provide all other assistance required by the TANF State Plan, the				
43	Commissioner may use unobligated federal TANF block grant funds in excess of this				
44	appropriation to provide the TANF supplement described in this paragraph.				
45	J. The Board of Social Services shall combine Groups I and II for the purposes of Temporary				
46	Assistance to Needy Families cash benefits and use the Group II rates for the new group.				
47	K. The Department of Social Services shall develop a plan to increase the standards of				
48	assistance by 10 percent annually until they equal 50 percent of the federal poverty level.				
49	L.1. The Department of Social Services (DSS) and the Department of Education (DOE) shall				
50	ensure that the Temporary Assistance for Needy Families (TANF) Virginia Initiative for				
51	Employment and Work (VIEW) mandated child care forecast is funded through a				
52	combination of general fund, TANF, and Child Care Development Fund (CCDF) grant				
53	dollars. The amount of needed CCDF dollars identified in the Memorandum of Agreement				
54	(MOA) between the agencies shall be transferred from DOE to DSS within the first thirty				
55	days of the fiscal year. DSS shall notify DOE of the required amount of the next fiscal year				



ITEM 341.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	transfer upon the enrollment of the budget. This amount shall reflect the need identified in				
2	the official forecast as well as changes resulting from actions in the final budget.				
3	2. The MOA shall reflect the full cost of the VIEW mandated child care program. From				
4	this amount, \$38,707,424 the first year and <del>\$38,707,424</del> \$46,350,487 the second year is				
5	appropriated at DSS and the balance shall be transferred from DOE from the CCDF grant				
6	to support the VIEW mandated child care program as specified in L.1.				
7	M. Out of this appropriation, \$2,120,420 the first year and \$2,120,420 the second year				
8	from the Temporary Assistance to Needy Families (TANF) block grant shall be provided				
9	for the Department of Social Services to implement a program so that TANF-eligible				
10	individuals may save funds in an individual development account established for the				
11	purposes of home purchase, education, starting a business, transportation, or self-				
12	sufficiency. The TANF funds shall be deposited to the individual development accounts at				
13	a match rate determined by the department.				
14	N. The Department of Social Services shall increase the Temporary Assistance for Needy				
15	Families (TANF) cash benefits and income eligibility threshold by five percent effective				
16	July 1, 2022.				
17	342. Financial Assistance for Local Social Services				
18	Staff (46000).....			\$552,763,472	<del>\$552,916,954</del>
19					\$596,113,324
20	Local Staff and Operations (46010).....	\$552,763,472	<del>\$552,916,954</del>		
21			\$596,113,324		
22	Fund Sources: General.....	\$148,475,202	<del>\$148,628,684</del>		
23			\$151,298,430		
24	Dedicated Special Revenue.....	\$9,374,916	<del>\$9,374,916</del>		
25			\$10,060,474		
26	Federal Trust.....	\$394,913,354	<del>\$394,913,354</del>		
27			\$434,754,420		
28	Authority: Title 63.2, Chapters 1 through 7 and 9 through 16, Code of Virginia; P.L. 104-				
29	193, Titles IV A, XIX, and XXI, Social Security Act, Federal Code, as amended.				
30	A. The amounts in this Item shall be expended under regulations of the Board of Social				
31	Services to reimburse county and city welfare/social services boards pursuant to § 63.2-				
32	401, Code of Virginia, and subject to the same percentage limitations for other				
33	administrative services performed by county and city public welfare/social services boards				
34	and superintendents of public welfare/social services pursuant to other provisions of the				
35	Code of Virginia, as amended.				
36	B. Pursuant to the provisions of §§ 63.2-403, 63.2-406, 63.2-407, 63.2-408, and 63.2-615				
37	Code of Virginia, all moneys deducted from funds otherwise payable out of the state				
38	treasury to the counties and cities pursuant to the provisions of § 63.2-408, Code of				
39	Virginia, shall be credited to the applicable general fund account.				
40	C. Included in this appropriation are funds to reimburse local social service agencies for				
41	eligibility workers who interview applicants to determine qualification for public				
42	assistance benefits which include but are not limited to: Temporary Assistance for Needy				
43	Families (TANF); Supplemental Nutrition Assistance Program (SNAP); and Medicaid.				
44	D. Included in this appropriation are funds to reimburse local social service agencies for				
45	social workers who deliver program services which include but are not limited to: child				
46	and adult protective services complaint investigations; foster care and adoption services;				
47	and adult services.				
48	E. Out of the federal fund appropriation for local social services staff, amounts estimated				
49	at \$83,200,000 the first year and <del>\$83,200,000</del> \$87,500,000 the second year shall be set				
50	aside for allowable local costs which exceed available general fund reimbursement and				
51	amounts estimated at \$24,000,000 the first year and <del>\$24,000,000</del> \$28,100,000 the second				
52	year shall be set aside to reimburse local governments for allowable costs incurred in				
53	administering public assistance programs.				
54	F. Out of this appropriation, \$562,260 the first year and <del>\$562,260</del> \$712,062 the second				

ITEM 342.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	year from the general fund and \$540,211 the first year and <del>\$540,211</del> \$684,138 the second				
2	year from nongeneral funds shall be provided to cover the cost of the health insurance credit				
3	for retired local social services employees.				
4	G. The Department of Social Services shall work with local departments of social services on				
5	a pilot project in the western region of the state to evaluate the available data collected by				
6	local departments on facilitated care arrangements. The department shall, based on the				
7	findings from the pilot project, determine the most appropriate mechanism for collecting and				
8	reporting such data on a statewide basis.				
9	H.1. Out of this appropriation, \$4,527,969 the first year and \$4,527,969 the second year from				
10	the general fund shall be available for the reinvestment of adoption general fund savings as				
11	authorized in Title IV, parts B and E of the federal Social Security Act (P.L. 110-351).				
12	2. Of the amount in paragraph H.1. above, \$1,333,031 the first year and \$1,333,031 the				
13	second year from the general fund shall be used to provide Child Protective Services (CPS)				
14	assessments and investigations in response to all reports of children born exposed to				
15	controlled substances regardless of whether the substance had been prescribed to the mother				
16	when she has sought or gained substance abuse counseling or treatment.				
17	I. Out of this appropriation, \$594,713 the first year and \$594,713 the second year from the				
18	general fund and \$4,734,573 the first year and \$4,734,573 the second year from nongeneral				
19	funds shall be provided to implement the Virginia Facilitated Enrollment Program.				
20	J. Out of this appropriation, \$200,000 the second year from the general fund shall be provided				
21	to the Buchanan County and Tazewell County Departments of Social Services for				
22	administrative costs associated with providing flood relief to the residents of Buchanan				
23	County and Tazewell County, as provided for in Item 114, paragraph K and paragraph O.				
24	343. Not set out.				
25	344. Adult Programs and Services (46800).....			\$48,227,762	\$55,477,762
26	Auxiliary Grants for the Aged, Blind, and Disabled				
27	(46801).....	\$26,398,009	\$33,648,009		
28	Adult In-Home and Supportive Services (46802).....	\$6,822,995	\$6,822,995		
29	Domestic Violence Prevention and Support				
30	Activities (46803).....	\$15,006,758	\$15,006,758		
31	Fund Sources: General.....	\$31,022,734	\$38,272,734		
32	Federal Trust.....	\$17,205,028	\$17,205,028		
33	Authority: Title 63.2, Chapters 1, 16 and 22, Code of Virginia; Title XVI, federal Social				
34	Security Act, as amended.				
35	A.1. Effective January 1, 2022, the Department of Social Services, in collaboration with the				
36	Department for Aging and Rehabilitative Services, is authorized to base approved licensed				
37	assisted living facility rates for individual facilities on an occupancy rate of 85 percent of				
38	licensed capacity, not to exceed a maximum rate of \$1,609 per month, which rate is also				
39	applied to approved adult foster care homes, unless modified as indicated below. The				
40	department may add a 15 percent differential to the maximum amount for licensed assisted				
41	living facilities and adult foster care homes in Planning District Eight.				
42	2. Effective January 1, 2013, the monthly personal care allowance for auxiliary grant				
43	recipients who reside in licensed assisted living facilities and approved adult foster care				
44	homes shall be \$82 per month, unless modified as indicated below.				
45	3. The Department of Social Services, in collaboration with the Department for Aging and				
46	Rehabilitative Services, is authorized to increase the assisted living facility and adult foster				
47	care home rates and/or the personal care allowance cited above on January 1 of each year in				
48	which the federal government increases Supplemental Security Income or Social Security				
49	rates or at any other time that the department determines that an increase is necessary to				
50	ensure that the Commonwealth continues to meet federal requirements for continuing				
51	eligibility for federal financial participation in the Medicaid program. Any such increase is				
52	subject to the prior concurrence of the Department of Planning and Budget. Within thirty days				

ITEM 344.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	after its effective date, the Department of Social Services shall report any such increase to				
2	the Governor and the Chairmen of the House Appropriations and Senate Finance and				
3	Appropriations Committees with an explanation of the reasons for the increase.				
4	4. Effective January 1, 2024, the Department of Social Services, in collaboration with the				
5	Department for Aging and Rehabilitative Services, is authorized to base approved licensed				
6	assisted living facility rates for individual facilities on an occupancy rate of 85 percent of				
7	licensed capacity, not to exceed a maximum rate of <del>\$2,055</del> \$2,079 per month, the rate that				
8	is also applied to approved adult foster care homes, unless modified as indicated above.				
9	The department may add a 15 percent differential to the maximum amount for licensed				
10	assisted living facilities and adult foster care homes in Planning District Eight. The				
11	Department of Planning and Budget is authorized to transfer up to \$2,000,000 from the				
12	general fund in this Item, if such funding is not required to fund the Auxiliary Grant Rate				
13	increase, to cover any increase in Medicaid costs that results from the rate change.				
14	5. Effective January 1, 2024, the monthly personal care allowance for auxiliary grant				
15	recipients who reside in licensed assisted living facilities and approved adult foster care				
16	homes shall be \$87 per month.				
17	B. Out of this appropriation, \$4,185,189 the first year and \$4,185,189 in the second year				
18	from the federal Social Services Block Grant shall be allocated to provide adult				
19	companion services for low-income elderly and disabled adults.				
20	C. The toll-free telephone hotline operated by the Department of Social Services to				
21	receive child abuse and neglect complaints shall also be publicized and used by the				
22	department to receive complaints of adult abuse and neglect.				
23	D. Out of this appropriation, \$248,750 the first year and \$248,750 the second year from				
24	the general fund and \$1,346,792 the first year and \$1,346,792 the second year from				
25	federal Temporary Assistance for Needy Families (TANF) funds shall be provided as a				
26	grant to local domestic violence programs for purchase of crisis and core services for				
27	victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency				
28	transportation, and other crisis services as a first priority.				
29	E. Out of this appropriation, \$75,000 the first year and \$75,000 the second year from the				
30	general fund and \$400,000 the first year and \$400,000 the second year from nongeneral				
31	funds shall be provided for the purchase of services for victims of domestic violence as				
32	stated in § 63.2-1615, Code of Virginia, in accordance with regulations promulgated by				
33	the Board of Social Services.				
34	F. Out of this appropriation \$1,100,000 the first year and \$1,100,000 the second year from				
35	the general fund and \$2,500,000 the first year and \$2,500,000 the second year from				
36	federal Temporary Assistance to Needy Families (TANF) funds shall be provided as a				
37	grant to local domestic violence programs for services.				
38	G. Out of this appropriation, \$2,650,000 the first year and \$2,650,000 the second year				
39	from the general fund shall be transferred to the Virginia Sexual and Domestic Violence				
40	Prevention Fund. Notwithstanding § 63.2-2300 of the Code of Virginia, the Department of				
41	Social Services shall solicit applications for funding by August 1 of each year and shall				
42	award the funds by no later than October 1 of each year. Funding shall be awarded for				
43	evidence-based services. The department shall report on the allocation of these funds to				
44	the Chairs of the House Appropriations and Senate Finance and Appropriations				
45	Committees by December 1 of each year.				
46	H. The Director, Department of Planning and Budget, shall, on or before June 30, 2024,				
47	unallot \$3,000,000 from the general fund in this item, which reflects unused balances in				
48	the auxiliary grants program.				
49	345. Child Welfare Services (46900).....			\$298,006,080	\$300,254,160
50					\$291,749,374
51	Foster Care Payments (46901).....	\$56,429,721	<del>\$44,021,750</del>		
52			\$40,302,005		
53	Supplemental Child Welfare Activities (46902).....	\$52,374,711	\$59,595,156		
54	Adoption Subsidy Payments (46903).....	\$162,580,548	<del>\$169,153,334</del>		
55			\$164,368,293		

ITEM 345.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Prevention Services (46905).....	\$26,621,100	\$27,483,920		
2	Fund Sources: General.....	\$143,143,135	<del>\$146,094,459</del>		
3			<del>\$143,983,517</del>		
4	Special.....	\$2,434,593	\$2,434,593		
5	Dedicated Special Revenue.....	\$585,265	\$585,265		
6	Federal Trust.....	\$151,843,087	<del>\$151,139,843</del>		
7			<del>\$144,745,999</del>		
8	Authority: Title 63.2, Chapters 1, 2, 4 and 8 through 15, Code of Virginia; P.L. 100-294, P.L.				
9	101-126, P.L. 101-226, P.L. 105-89, P.L. 110-351, P.L. 111-320, as amended, Federal Code.				
10	A. Expenditures meeting the criteria of Title IV-E of the Social Security Act shall be fully				
11	reimbursed except that expenditures otherwise subject to a standard local matching share				
12	under applicable state policy, including local staffing, shall continue to require local match.				
13	The commissioner shall ensure that local social service boards obtain reimbursement for all				
14	children eligible for Title IV-E coverage.				
15	B. The Commissioner, Department of Social Services, in cooperation with the Department of				
16	Planning and Budget, shall establish a reasonable, automatic adjustment for inflation each				
17	year to be applied to the room and board maximum rates paid to foster parents. However, this				
18	provision shall apply only in fiscal years following a fiscal year in which salary increases are				
19	provided for state employees.				
20	C. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
21	general fund shall be provided for the purchase of services for victims child abuse and neglect				
22	prevention activities as stated in § 63.2-1502, Code of Virginia, in accordance with				
23	regulations promulgated by the Board of Social Services.				
24	D. Out of this appropriation, \$180,200 the first year and \$180,200 the second year from the				
25	general fund and \$99,800 the first year and \$99,800 the second year from nongeneral funds				
26	shall be provided to continue respite care for foster parents.				
27	E. Notwithstanding the provisions of §§ 63.2-1300 through 63.2-1303, Code of Virginia,				
28	adoption assistance subsidies and supportive services shall not be available for children				
29	adopted through parental placements, except parental placements where the legal guardian is a				
30	child placing agency at the time of the adoption. This restriction does not apply to existing				
31	adoption assistance agreements.				
32	F.1. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from				
33	the general fund shall be provided to implement pilot programs that increase the number of				
34	foster care children adopted.				
35	2. Beginning July 1, 2017, the department shall provide an annual report, not later than 45				
36	days after the end of the state fiscal year, on the use and effectiveness of this funding				
37	including, but not limited to, the additional number of special needs children adopted from				
38	foster care as a result of this effort and the types of ongoing supportive services provided, to				
39	the Governor, Chairmen of House Appropriations and Senate Finance and Appropriations				
40	Committees, and the Director, Department of Planning and Budget.				
41	G. Out of this appropriation, \$9,485,711 the first year and <del>\$9,485,711</del> \$9,630,922 the second				
42	year from the general fund and \$7,000,000 the first year and \$7,000,000 the second year from				
43	nongeneral funds shall be provided for special needs adoptions.				
44	H. Out of this appropriation \$71,392,849 the first year and <del>\$71,392,849</del> \$70,795,748 the				
45	second year from the general fund and \$71,392,848 the first year and <del>\$71,392,848</del>				
46	<del>\$76,941,623</del> the second year from nongeneral funds shall be provided for Title IV-E adoption				
47	subsidies.				
48	I. The Commissioner, Department of Social Services, shall ensure that local departments that				
49	provide independent living services to persons between 18 and 21 years of age make certain				
50	information about and counseling regarding the availability of independent living services is				
51	provided to any person who chooses to leave foster care or who chooses to terminate				
52	independent living services before his twenty-first birthday. Information shall include the				
53	option for restoration of independent living services following termination of independent				

ITEM 345.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	living services, and the processes whereby independent living services may be restored				
2	should he choose to seek restoration of such services in accordance with § 63.2-905.1 of				
3	the Code of Virginia.				
4	J.1. Notwithstanding the provisions of § 63.2-1302, Code of Virginia, the Department of				
5	Social Services shall negotiate all adoption assistance agreements with both existing and				
6	prospective adoptive parents on behalf of local departments of social services. This				
7	provision shall not alter the legal responsibilities of the local departments of social				
8	services set out in Chapter 13 of Title 63.2, Code of Virginia, nor alter the rights of the				
9	adoptive parents to appeal.				
10	2. Out of this appropriation, \$342,414 the first year and \$342,414 the second year from the				
11	general fund and \$215,900 the first year and \$215,900 the second year from nongeneral				
12	funds shall be provided for five positions to execute these negotiations.				
13	K.1. The Department of Social Services shall partner with Patrick Henry Family Services				
14	to implement a pilot program in the area encompassing Planning District 11 (Amherst,				
15	Appomattox, Bedford, Campbell Counties and the City of Lynchburg) for the temporary				
16	placements of children for children and families in crisis. The pilot program will allow a				
17	parent or legal custodian of a minor, with the assistance of Patrick Henry Family Services,				
18	to delegate to another person by a properly executed power of attorney any powers				
19	regarding care, custody, or property of the minor for a temporary placement for a period				
20	that is not greater than 90 days. The program will allow for an option of a one-time 90 day				
21	extension.				
22	2. The department shall ensure that this pilot program meets the following specific				
23	programmatic and safety requirements outlined in 22 VAC 40-131 and 22 VAC 40-191:				
24	(i) The pilot program organization shall meet the background check requirements				
25	described in 22 VAC 40-191.				
26	(ii) The pilot program organization shall develop and implement written policies and				
27	procedures for governing active and closed cases, admissions, monitoring the				
28	administration of medications, prohibiting corporal punishment, ensuring that children are				
29	not subjected to abuse or neglect, investigating allegations of misconduct toward children,				
30	implementing the child's back-up emergency care plan, assigning designated casework				
31	staff, management of all records, discharge policies, and the use of seclusion and restraint				
32	(22 VAC 40-131-90).				
33	(iii) The pilot program organization shall provide pre-service and ongoing training for				
34	temporary placement providers and staff (22 VAC 40-131-210 and 22 VAC 40-131-150).				
35	3. The agency shall provide a report on the implementation status of the pilot to the				
36	Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations				
37	Committees, and Director, Department of Planning and Budget by September 30, 2022.				
38	L.1. Out of this appropriation, \$10,017,668 the first year and \$10,017,668 the second year				
39	from the general fund and \$2,500,000 the first year and \$2,500,000 the second year from				
40	nongeneral funds shall be available for the reinvestment of adoption general fund savings				
41	as authorized in title IV, parts B and E of the federal Social Security Act (P.L. 110-351).				
42	2. Of the amounts in paragraph L.1. above, \$3,078,595 the first year and \$3,078,595 the				
43	second year from the general fund shall be used to develop a case management module for				
44	a comprehensive child welfare information system (CCWIS).				
45	M.1. Out of this appropriation, \$3,460,195 the first year and \$7,121,181 the second year				
46	from the general fund and \$3,460,195 the first year and \$7,121,181 the second year from				
47	nongeneral funds shall be available for the development of a compliant comprehensive				
48	child welfare information system (CCWIS). <i>Any unexpended balance in this paragraph at</i>				
49	<i>the close of business on June 30 of the fiscal year shall not revert to the general fund, but</i>				
50	<i>shall be carried forward and reappropriated for this purpose.</i>				
51	2. In the development of the CCWIS, the department shall not create any future obligation				
52	that will require the appropriation of general fund in excess of that provided in this Act.				
53	Should additional appropriation, in excess of the amounts identified in this paragraph and				

ITEM 345.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	paragraph L.2., be needed to complete development of this or any other module for the				
2	CCWIS, the department shall notify the Chairmen of the House Appropriations and Senate				
3	Finance and Appropriations Committees, and Director, Department of Planning and Budget.				
4	3. Beginning September 1, 2018, the department shall also provide semi-annual progress				
5	reports that includes current project summary, implementation status, accounting of project				
6	expenditures and future milestones. All reports shall be submitted to the Chairmen of the				
7	House Appropriations and Senate Finance and Appropriations Committees, and Director,				
8	Department of Planning and Budget.				
9	N. Out of this appropriation, \$1,009,563 the first year and \$1,009,563 the second year from				
10	nongeneral funds shall be used to fund 10 positions that support the child protective services				
11	hotline.				
12	O. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the				
13	general fund and \$50,000 the first year and \$50,000 the second year from nongeneral funds				
14	shall be used to fund one position that supports Virginia Fosters.				
15	P. Out of this appropriation, \$851,000 the first year and \$851,000 the second year from the				
16	general fund is provided for training, consultation and technical support, and licensing costs				
17	associated with establishing evidence-based programming as identified in the federal Family				
18	First Prevention Services Act (FFPSA) Evidence-Based Programs Clearinghouse.				
19	Q. The Department of Social Services shall develop a plan to provide access statewide to a				
20	Kinship Navigator Program which will provide services to kinship caregivers who are having				
21	trouble finding assistance for their unique needs and to help these caregivers navigate their				
22	locality's service system, as well as federal and state benefits.				
23	R. The Department of Social Services shall create an emergency approval process for kinship				
24	caregivers and develop foster home certification standards for kinship caregivers using as a				
25	guide the Model Family Foster Home Licensing Standards developed by the American Bar				
26	Association Center on Children and the Law, the Annie E. Casey Foundation, Generations				
27	United, and the National Association for Regulatory Administration. The adopted standards				
28	should align, as much as reasonably possible, to the Model Family Foster Home Licensing				
29	Standards, and should ensure that children in foster care: (i) live in safe and appropriate				
30	homes under local department of social services and court oversight; (ii) receive monthly				
31	financial assistance and supportive services to help meet their needs; and (iii) can access the				
32	permanency options offered by Virginia's Kinship Guardianship Assistance Program.				
33	S. Out of this appropriation, \$3,002,400 the first year and \$4,408,800 the second year from				
34	the general fund is provided to make relative maintenance payments.				
35	T. Out of this appropriation, \$50,000 the first year from the general fund shall be provided to				
36	implement a public awareness campaign and outreach for the implementation of the Chapter				
37	174, 2022 Acts of Assembly, that provides for the relinquishment of an infant, infant				
38	relinquishment locations, and support and resources for parents and the public. The				
39	Department of Social Services shall contract with the National Safe Haven Alliance to				
40	implement a toll-free 24-hour hotline as required by statute.				
41	346. Not set out.				
42	347. Financial Assistance to Community Human Services				
43	Organizations (49200).....			\$68,514,789	<del>\$65,590,789</del>
44					\$65,090,789
45	Community Action Agencies (49201).....	\$22,763,048	\$22,763,048		
46	Volunteer Services (49202).....	\$3,866,340	\$3,866,340		
47	Other Payments to Human Services Organizations				
48	(49203).....	\$41,885,401	<del>\$38,961,401</del>		
49			\$38,461,401		
50	Fund Sources: General.....	\$6,288,500	\$3,274,500		
51	Federal Trust.....	\$62,226,289	<del>\$62,316,289</del>		
52			\$61,816,289		
53	Authority: Title 2.2, Chapter 54; Title 63.2, Code of Virginia; Title VI, Subtitle B, P.L. 97-35,				

ITEM 347.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.				
2	A.1. All increased state or federal funds distributed to Community Action Agencies shall				
3	be distributed as follows: The funds shall be distributed to all local Community Action				
4	Agencies according to the Department of Social Services funding formula (75 percent				
5	based on low-income population, 20 percent based on number of jurisdictions served, and				
6	five percent based on square mileage served), adjusted to ensure that no agency receives				
7	less than 1.5 percent of any increase.				
8	2. Out of this appropriation, \$185,725 the first year and \$185,725 the second year from the				
9	Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
10	contract with the Virginia Community Action Partnership to provide outreach, education				
11	and tax preparation services via the Virginia Earned Income Tax Coalition and other				
12	community non-profit organizations to citizens who may be eligible for the federal Earned				
13	Income Tax Credit (EITC). The contract shall require the Virginia Community Action				
14	Partnership to report on its efforts to expand the number of Virginians who are able to				
15	claim the federal EITC, including the number of individuals identified who could benefit				
16	from the credit, the number of individuals counseled on the availability of federal EITC,				
17	and the number of individuals assisted with tax preparation to claim the federal EITC. The				
18	annual report from the Virginia Community Action Partnership shall also detail actual				
19	expenditures for the program including the sub-contractors that were utilized. This report				
20	shall be provided to the Governor and the Chairmen of the House Appropriations and				
21	Senate Finance and Appropriations Committees by December 1 each year.				
22	3. Out of this appropriation, \$9,250,000 the first year and \$9,250,000 the second year from				
23	the Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
24	contract with local Community Action Agencies to provide an array of services designed				
25	to meet the needs of low-income individuals and families, including the elderly and				
26	migrant workers. Services may include, but are not limited to, child care, community and				
27	economic development, education, employment, health and nutrition, housing, and				
28	transportation.				
29	4. Out of this appropriation, \$1,125,000 the first year and \$1,125,000 the second year from				
30	the Temporary Assistance to Needy Families (TANF) block grant shall be provided for				
31	competitive grants to Community Action Agencies for a Two-Generation/Whole Family				
32	Pilot Project and for evaluation of the pilot project. Applicants selected for the pilot				
33	project shall provide a match of no less than 20 percent of the grant, including in-kind				
34	services. The Department of Social Services shall report to the General Assembly annually				
35	on the progress of the pilot project and shall complete a final report on the project no later				
36	than six years after the commencement of the project.				
37	B. The department shall continue to fund from this Item all organizations recognized by				
38	the Commonwealth as community action agencies as defined in §2.2-5400 et seq.				
39	C. Out of this appropriation, \$9,035,501 the first year and \$9,035,501 the second year				
40	from the Temporary Assistance for Needy Families (TANF) block grant shall be provided				
41	to contract with programs that follow the evidence-based Healthy Families America home				
42	visiting model that promotes positive parenting, improves child health and development,				
43	and reduces child abuse and neglect. The Department of Social Services shall use a				
44	portion of the funds from this item to contract with the statewide office of Prevent Child				
45	Abuse Virginia for providing the coordination, technical support, quality assurance,				
46	training and evaluation of the Virginia Healthy Families programs.				
47	E. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from				
48	nongeneral funds shall be provided for the Child Abuse Prevention Play (the play)				
49	administered by Virginia Repertory Theatre. The contract shall include production and				
50	live performances of the play that teach child safety awareness to prevent child abuse.				
51	F. Out of this appropriation, \$70,000 the first year and \$70,000 the second year from the				
52	general fund shall be provided to contract with the Virginia Alzheimer's Association				
53	Chapters to provide dementia-specific training to long-term care workers in licensed				
54	nursing facilities, assisted living facilities and adult day care centers who deal with				
55	Alzheimer's disease and related disorders.				

ITEM 347.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	G.1. Out of this appropriation, \$2,000,000 the first year and \$2,000,000 the second year from				
2	the Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
3	contract with Northern Virginia Family Services (NVFS) to provide supportive services that				
4	address the basic needs of families in crisis, including the provision of food, financial				
5	assistance to prevent homelessness, access to health services, and adult workforce				
6	development programs. The contract shall require NVFS to provide an intake process that				
7	identifies the needs and appropriate services for those in crisis. Outcomes will be measured				
8	utilizing surveys provided to those who receive services and NVFS will report quarterly on				
9	survey results.				
10	2. In addition to the amounts in paragraph G. 1., \$500,000 the first year and \$500,000 the				
11	second year from the TANF block grant shall be provided out of the appropriation in this item				
12	to Northern Virginia Family Services to deploy a neighborhood-based, mobile service				
13	delivery and outreach program.				
14	H. Out of this appropriation, \$405,500 the first year and \$405,500 the second year from the				
15	general fund and \$2,136,500 the first year and \$2,136,500 the second year from the				
16	Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract				
17	with child advocacy centers (CAC) to provide a comprehensive, multidisciplinary team				
18	response to allegations of child abuse in a dedicated, child-friendly setting. The contracts shall				
19	require CACs to provide forensic interviews, victim support and advocacy services, medical				
20	evaluations, and mental health services to victims of child abuse and neglect with the				
21	expected outcome of reducing child abuse and neglect. The department shall allocate four				
22	percent to Children's Advocacy Centers of Virginia (CACVA), the recognized chapter of the				
23	National Children's Alliance for Virginia's Child Advocacy Centers, for the purpose of				
24	assisting and supporting the development, continuation, and sustainability of community-				
25	coordinated, child-focused services delivered by children's advocacy centers (CACs). Of the				
26	remaining 96 percent, (i) 65 percent shall be distributed to a baseline allocation determined by				
27	the accreditation status of the CAC: (a) developing and associate centers 100 percent of base;				
28	(b) accredited centers 150 percent of base; and (c) accredited centers with satellite facilities				
29	175 percent of base; and (ii) 35 percent shall be allocated according to established criteria to				
30	include: (a) 25 percent determined by the rate of child abuse per 1,000; (b) 25 percent				
31	determined by child population; and (c) 50 percent determined by the number of counties and				
32	independent cities serviced.				
33	I.1. Out of this appropriation, \$1,250,000 the first year and \$1,250,000 the second year from				
34	the Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
35	contract with the Virginia Early Childhood Foundation (VECF) to support the health and				
36	school readiness of Virginia's young children prior to school entry. These funds shall be				
37	matched with local public and private resources with a goal of leveraging a dollar for each				
38	state dollar provided.				
39	2. Of the amounts in paragraph I.1. above, \$1,250,000 the first year and \$1,250,000 the				
40	second year from the Temporary Assistance for Needy Families (TANF) block grant shall be				
41	used to provide information and assistance to parents and families and to facilitate				
42	partnerships with both public and private providers of early childhood services. VECF will				
43	track and report statewide and local progress on a biennial basis. The Foundation shall				
44	account for the expenditure of these funds by providing the Governor, Secretary of Health and				
45	Human Resources, and the Chairmen of the House Appropriations and Senate Finance and				
46	Appropriations Committees with a certified audit and full report on Foundation initiatives and				
47	results not later than October 1 of each year for the preceding fiscal year ending June 30.				
48	3. On or before October 1 of each year, the foundation shall submit to the Governor and the				
49	Chairmen of the House Appropriations and Senate Finance and Appropriations Committees a				
50	report on the actual amount, by fiscal year, of private and local government funds received by				
51	the foundation.				
52	J. Out of this appropriation \$2,000,000 the first year and \$2,000,000 the second year from the				
53	Temporary Assistance for Needy Families (TANF) block grant shall be provided to the				
54	Virginia Alliance of Boys and Girls Clubs to expand community-based prevention and				
55	mentoring programs.				
56	K.1. Out of this appropriation, \$4,500,000 the first year and \$4,500,000 the second year from				
57	the Temporary Assistance for Needy Families (TANF) block grant the shall be provided for				



ITEM 347.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	competitive grants for community employment and training programs designed to move				
2	low-income individuals out of poverty through programs designed to assist TANF				
3	recipients in obtaining and retaining competitive employment with the prospect of a career				
4	path and wage growth and other supportive services designed to break the cycle of poverty				
5	and permanently move individuals out of poverty. Of this amount, \$2,000,000 each year				
6	shall be provided for competitive grants provided through Employment Services				
7	Organizations (ESOs).				
8	2.a. Out of this appropriation, \$3,000,000 the first year and \$3,000,000 the second year				
9	from the Temporary Assistance for Needy Families (TANF) block grant the shall be				
10	provided for a second round of grants for community employment and training programs				
11	designed to move low-income individuals out of poverty by obtaining and retaining				
12	competitive employment with the prospect of a career path and wage growth. The local				
13	match requirement shall be reduced to 10 percent, including in-kind services, for grant				
14	recipients located in Virginia counties or cities with high fiscal stress as defined by the				
15	Commission on Local Government fiscal stress index.				
16	b. Out of the amounts in 2.a., at least \$300,000 the first year and \$300,000 the second year				
17	from the Temporary Assistance for Needy Families (TANF) block grant shall be provided				
18	through a contract with the City of Richmond, Office of Community Wealth for services				
19	provided through the Center for Workforce Innovation.				
20	3. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from				
21	the the Temporary Assistance to Needy Families (TANF) block grant shall be provided for				
22	a third round of competitive grants for community employment and training programs.				
23	Out of this amount, \$450,000 each year shall be provided for competitive grants through				
24	Employment Services Organizations. The department may encourage applicants to				
25	consider developing programs that align or coordinate with the Medicaid Referral program				
26	to be developed pursuant to language in Item 304 of this act.				
27	4. The Department of Social Services shall award grants to qualifying programs through a				
28	memorandum of understanding which articulates performance measures and outcomes				
29	including the number of individuals participating in services, number of individuals hired				
30	into employment, the number of unique employers hiring individuals through				
31	organizational programs and activities, the average starting wage of individuals hired,				
32	reductions in the rate of poverty, as well as process measures such as how the program				
33	targets improvement in poverty over a three to five year period and fits in with long term				
34	community goals for reducing poverty. Grants shall require local matching funds of at				
35	least 25 percent, including in-kind services.				
36	5. Community employment and training programs and ESOs shall report on annual				
37	program performance and outcome measures contained in the memorandum of				
38	understanding with the Department of Social Services. The department shall report on the				
39	implementation of the programs and any performance and outcome data collected through				
40	the memorandum of understanding by June 1 of each year.				
41	L. Out of this appropriation, \$100,000 the first year and \$200,000 the second year from				
42	the general fund shall be provided to contract with Youth for Tomorrow (YFT) to provide				
43	comprehensive residential, education and counseling services to at-risk youth of the				
44	Commonwealth of Virginia who have been sexually exploited, including victims of sex				
45	trafficking. The contract shall require YFT to provide individual assessments/individual				
46	service planning; individual and group counseling; room and board; coordination of				
47	medical and mental health services and referrals; independent living services for youth				
48	transitioning out of foster care; active supervision; education; and family reunification				
49	services. Youth for Tomorrow shall submit monthly progress reports on activities				
50	conducted and progress achieved on outputs, outcomes and other functions/activities				
51	during the reporting period. On October 1 of each year, YFT shall provide an annual				
52	report to the Governor and the Chairmen of the House Appropriations and Senate Finance				
53	and Appropriations Committees that details program services, outputs and outcomes.				
54	M. Out of this appropriation, \$150,000 the first year and \$150,000 the second year from				
55	the federal Temporary Assistance for Needy Families block grant shall be provided to				
56	contract with Visions of Truth Community Development Corporation in Portsmouth,				
57	Virginia. The funding will support the Students Taking Responsibility in Valuing				

ITEM 347.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Education (STRIVE) suspension/dropout prevention program.				
2	N. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the				
3	federal Temporary Assistance for Needy Families block grant shall be provided to contract				
4	with Early Impact Virginia to continue its work in support of Virginia's voluntary home				
5	visiting programs. These funds may be used to hire three full-time staff, including a director				
6	and an evaluator, and to continue Early Impact Virginia's training partnerships. Early Impact				
7	Virginia shall have the authority and responsibility to determine, systematically track, and				
8	report annually on the key activities and outcomes of Virginia's home visiting programs;				
9	conduct systematic and statewide needs assessments for Virginia's home visiting programs at				
10	least once every three years; and to support continuous quality improvement, training, and				
11	coordination across Virginia's home visiting programs on an ongoing basis. Early Impact				
12	Virginia shall report on its findings to the Chairmen of the House Appropriations and Senate				
13	Finance and Appropriations Committees by July 1, 2019 and annually thereafter.				
14	O. Out of this appropriation, \$1,250,000 the first year and \$1,250,000 the second year from				
15	the Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
16	contract with the Laurel Center in Winchester to provide services to survivors of domestic				
17	abuse and sexual violence in Winchester, Frederick County, Clarke County, and Warren				
18	County.				
19	P. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the				
20	general fund shall be provided for the Department of Social Services to contract with				
21	Adoption Share, Inc. for the purpose of a pilot program to operate the Family-Match				
22	application, which is an online matching tool for state case workers to use in matching foster				
23	care children with the best families.				
24	Q. Out of this appropriation, \$350,000 the first year and \$350,000 the second year from the				
25	Temporary Assistance for Needy Families (TANF) block grant shall be provided to FACETS				
26	to provide homeless assistance services in Northern Virginia.				
27	R. Out of this appropriation, \$3,000,000 the first year and \$3,000,000 the second year from				
28	the Temporary Assistance for Needy Families block grant shall be provided to contract with				
29	the Virginia Federation of Food Banks to provide child nutrition programs.				
30	S. Out of this appropriation, \$500,000 the first year and \$500,000 the second year for the				
31	Temporary Assistance for Needy Families block grant shall be provided to the Virginia				
32	Transit Association to offer competitive grants for public transportation (as defined in				
33	Virginia Code §33.2-100) and public transportation demand management service fare passes.				
34	The Virginia Transit Association shall report on annual program performance and outcome				
35	measures contained in the memorandum of understanding with the Department of Social				
36	Services. The department shall report on any performance and outcome data collected through				
37	the memorandum of understanding by July 1 of each year. This report shall be provided to the				
38	Governor, Director of the Department of Planning and Budget, and the Chairmen of the				
39	House Appropriations and Senate Finance and Appropriations Committees, by September 1				
40	each year.				
41	T. Out of this appropriation, \$1,200,000 the first year and \$1,200,000 the second year from				
42	the Temporary Assistance for Needy Families block grant shall be provided to United				
43	Community to offer wrap-around services for low-income families. United Community shall				
44	report on annual program performance and outcome measures contained in the memorandum				
45	of understanding with the Department of Social Services. The department shall report on any				
46	performance and outcome data collected through the memorandum of understanding by July 1				
47	of each year. This report shall be provided to the Governor, Director of the Department of				
48	Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance and				
49	Appropriations Committees, by September 1 each year.				
50	U. Out of this appropriation, \$100,000 the first year and \$190,000 the second year from the				
51	Temporary Assistance for Needy Families (TANF) block grant shall be provided to the				
52	Lighthouse Community Center, a nonprofit organization in Planning District 11, to provide				
53	housing assistance, or other eligible services, for individuals transitioning out of the criminal				
54	justice system and domestic violence situations contingent on contracting for services eligible				
55	under the TANF block grant.				

ITEM 347.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	V. Out of this appropriation, \$750,000 the first year and \$750,000 the second year from				
2	the Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
3	contract with Cornerstones to provide wrap-around services that solve urgent or on-going				
4	requirements for housing, childcare, food or financial assistance that address the needs of				
5	families. The contract shall require Cornerstones to report annually on outcomes.				
6	W. Out of this appropriation, \$250,000 the first year and \$250,000 the second year from				
7	the Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
8	contract with Portsmouth Volunteers for the Homeless to provide wrap-around services				
9	for homeless individuals.				
10	X. Out of this appropriation, \$125,000 the first year and \$125,000 the second year from				
11	the Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
12	contract with Menchville House to provide supportive services for homeless individuals.				
13	Y. Out of this appropriation, \$125,000 the first year and \$125,000 the second year from				
14	the Temporary Assistance for Needy Families (TANF) block grant shall be provided to				
15	contract with Family Restoration Services of Hampton to provide supportive services to				
16	families in need.				
17	Z. Out of this appropriation, \$500,000 the first year from the general fund shall be				
18	provided to support the establishment of the Judge Swett Learning Center to promote				
19	vocational and educational classes for ex-offenders.				
20	AA.Out of this appropriation, \$5,000,000 from the general fund the first year shall be				
21	provided to Fairfax County for a CASA vocational welcome center in Fairfax County. The				
22	funding may be used for capital, programming, and general operating purposes. Matching				
23	funds of \$2,500,000 equaling 50% of this funding shall come from private and other				
24	nonprofit or governmental funding on a cash or in-kind basis. This funding is to be				
25	distributed before the end of fiscal year 2023 and utilized before the end of fiscal year				
26	2027. Funding shall not be distributed for this purpose until Fairfax County has consulted				
27	with and received approval from the Secretary of Health and Human Resources.				
28	BB. Out of this appropriation, \$114,000 from the general fund the first year shall be				
29	provided to the Eastern Shore Coalition Against Domestic Violence for operational				
30	support and infrastructure of the organization for its programs and administrative				
31	operations.				
32	CC. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from				
33	the federal Temporary Assistance to Needy Families block grant shall be provided to				
34	Good Shepherd Housing and Family Services for housing, emergency services, children's				
35	services, budgeting, counseling and other resources for low-income families.				
36	DD. Out of this appropriation the \$2,500,000 the second year from the general fund is				
37	provided to the Department of Social Services for state agencies to facilitate and improve				
38	language access. The Department of Social Services, in cooperation with the Office of the				
39	Secretary of Health and Human Resources, shall develop a process for receiving requests				
40	and administering the grants to state agencies for such purposes.				
41	348. Not set out.				
42	349. Not set out.				
43	350. Administrative and Support Services (49900).....			\$131,597,625	\$131,597,625
44					\$131,902,625
45	General Management and Direction (49901).....	\$9,680,483	\$9,680,483		
46	Information Technology Services (49902).....	\$89,374,741	<del>\$89,374,741</del>		
47			\$89,679,741		
48	Accounting and Budgeting Services (49903).....	\$9,177,113	\$9,177,113		
49	Human Resources Services (49914).....	\$6,028,212	\$6,028,212		
50	Planning and Evaluation Services (49916).....	\$4,466,011	\$4,466,011		
51	Procurement and Distribution Services (49918).....	\$4,456,552	\$4,456,552		
52	Public Information Services (49919).....	\$4,084,766	\$4,084,766		

ITEM 350.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Financial and Operational Audits (49929).....	\$4,329,747	\$4,329,747		
2	Fund Sources: General.....	\$51,423,909	<del>\$51,423,909</del>		
3			\$51,726,409		
4	Special.....	\$175,000	\$175,000		
5	Dedicated Special Revenue.....	\$2,000,000	\$2,000,000		
6	Federal Trust.....	\$77,998,716	<del>\$77,998,716</del>		
7			\$78,001,216		
8	Authority: Title 63.2, Chapter 1; § <a href="#">2.2-4000</a> et seq., Code of Virginia; P.L. 98-502, P.L. 104-156, P.L. 104-193, P.L. 104-327, P.L. 105-33, as amended, P.L. 105-89, Federal Code; Titles				
9	IV-A, IV-B, IV-D, IV-E, XIX, XX, XXI of the federal Social Security Act, as amended.				
10					
11	A. The Department of Social Services shall require localities to report all expenditures on				
12	designated social services, regardless of reimbursement from state and federal sources. The				
13	Department of Social Services is authorized to include eligible costs in its claim for				
14	Temporary Assistance for Needy Families Maintenance of Effort requirements.				
15	B. It is the intent of the General Assembly that the Commissioner, Department of Social				
16	Services shall work with localities that seek to voluntarily merge and consolidate their				
17	respective local departments of social services. No funds appropriated under this act shall be				
18	used to require a locality to merge or consolidate local departments of social services.				
19	C.1. Out of this appropriation, \$836,149 the first year and \$836,149 the second year from the				
20	general fund and \$1,331,847 the first year and \$1,331,847 the second year from nongeneral				
21	funds shall be provided to support the statewide 2-1-1 Information and Referral System which				
22	provides resource and referral information on many of the specialized health and human				
23	resource services available in the Commonwealth, including child day care availability and				
24	providers in localities throughout the state, and publish consumer-oriented materials for those				
25	interested in learning the location of child day care providers.				
26	2. The Department of Social Services shall request that all state and local child-serving				
27	agencies within the Commonwealth be included in the Virginia Statewide Information and				
28	Referral System as well as any agency or entity that receives state general fund dollars and				
29	provides services to families and youth. The Secretary of Health and Human Resources, the				
30	Secretary of Education and Workforce, and the Secretary of Public Safety and Homeland				
31	Security shall assist in this effort by requesting all affected agencies within their secretariats				
32	to submit information to the statewide Information and Referral System and ensure that such				
33	information is accurate and updated annually. Agencies shall also notify the Virginia				
34	Information and Referral System of any changes in services that may occur throughout the				
35	year.				
36	3. The Department of Social Services shall communicate with child-serving agencies within				
37	the Commonwealth about the availability of the statewide Information and Referral System.				
38	This information shall also be communicated via the Department of Social Services' broadcast				
39	system on their agency-wide Intranet so that all local and regional offices can be better				
40	informed about the Statewide Information and Referral System. Information on the Statewide				
41	Information and Referral System shall also be included within the department's electronic				
42	mailings to all local and regional offices at least biannually.				
43	D.1. Within 30 days of awarding or amending any contract related to the Virginia Case				
44	Management System (VaCMS), the Department of Social Services (DSS) shall provide the				
45	Chairmen of the House Appropriations and Senate Finance and Appropriations Committees,				
46	and Director, Department of Planning and Budget with a copy of the contract, including any				
47	fiscal implications.				
48	2. Prior to the award of any contract that will potentially obligate the Commonwealth to future				
49	unappropriated spending, the department shall receive prior written concurrence from				
50	Director, Department of Planning and Budget. Any approved increases in funding requests				
51	shall be reported by DSS to the Chairmen of House Appropriations and Senate Finance and				
52	Appropriations Committees within 30 days.				
53	E. At least 60 days prior to the modification of any public guidance document, handbook,				
54	manual, or state plan, the Department of Social Services (DSS) shall provide written				
55	notification to the Governor and the Director of the Department of Planning and Budget as to				

ITEM 350.		Item Details(\$)		Appropriations(\$)	
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1	the purpose of such change. This notice shall also assess whether the amendment may				
2	require any 1) future state regulatory action; 2) increase in local costs; and/or 3) any state				
3	expenditure beyond that which is appropriated in this Act. This notice does not exempt the				
4	agency from any requirements set forth within § 4-5.03 of this Act.				
5	F. The Department of Social Services shall report a detailed accounting, annually, of the				
6	agency's organization and operations. This report shall include an organizational chart that				
7	shows all full- and part-time positions (by job title) employed by the agency as well as the				
8	current management structure and unit responsibilities. The report shall also provide a				
9	summary of organization changes implemented over the previous year. The report shall be				
10	made available on the department's website by August 15 of each year.				
11	G. The Department of Social Services shall design, for consideration by the 2023 General				
12	Assembly, a program that provides a fixed reimbursement, which shall not exceed \$15				
13	monthly, for broadband service costs for select households currently participating in the				
14	Supplemental Nutrition Assistance Program. The reimbursement payments under the				
15	program shall be structured as a direct payment to a broadband provider selected by the				
16	qualifying program participant household, provided that the selected broadband provider				
17	offers a low-cost broadband service for low-income households within its service area in				
18	the Commonwealth. The department shall develop program guidelines in coordination				
19	with the Commonwealth Broadband Chief Advisor to govern eligibility for participation				
20	in the program and disbursement of program funds. The department shall report on the				
21	program design and structure, administrative cost estimates, program guidelines, and other				
22	relevant information related to implementing the program to the Chairs of the House				
23	Appropriations and Senate Finance and Appropriations Committees by November 1,				
24	2022.				
25	H. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from				
26	the general fund is provided for the Department of Social Services to increase				
27	interpretation and translation services to help immigrants in Virginia access local				
28	resources through 2-1-1, including healthcare, housing, and other social services.				
29	351. Not set out.				
30	352. Not set out.				
31	Total for Department of Social Services.....			\$2,266,418,556	<del>\$2,326,367,461</del>
32					\$2,363,635,935
33	General Fund Positions.....	674.00	<del>671.50</del>		
34			672.00		
35	Nongeneral Fund Positions.....	1,086.50	<del>1,084.00</del>		
36			1,084.50		
37	Position Level.....	1,760.50	<del>1,755.50</del>		
38			1,756.50		
39	Fund Sources: General.....	\$521,761,251	<del>\$519,198,878</del>		
40			\$521,086,284		
41	Special.....	\$705,977,963	\$706,085,947		
42	Dedicated Special Revenue.....	\$71,727,903	<del>\$134,227,903</del>		
43			\$134,913,461		
44	Federal Trust.....	\$966,951,439	<del>\$966,854,733</del>		
45			\$1,001,550,243		
46	353. Not set out.				
47	354. Not set out.				
48	355. Not set out.				
49	356. Not set out.				
50	357. Not set out.				

ITEM 358.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	358.	Not set out.				
2	359.	Not set out.				
3	360.	Not set out.				
4	361.	Not set out.				
5	362.	Not set out.				
6	TOTAL FOR OFFICE OF HEALTH AND HUMAN					
7	RESOURCES.....				<b>\$26,373,225,775</b>	<b>\$28,903,136,299</b>
8						<b>\$28,595,559,390</b>
9	General Fund Positions.....		8,685.05	8,680.05		
10				8,680.55		
11	Nongeneral Fund Positions.....		6,392.72	6,398.72		
12				6,399.22		
13	Position Level.....		15,077.77	15,078.77		
14				15,079.77		
15	Fund Sources: General.....		\$8,156,200,422	\$8,620,173,336		
16				\$8,537,636,549		
17	Special.....		\$1,028,016,724	\$1,038,934,748		
18	Enterprise.....		\$64,407,956	\$64,407,956		
19	Trust and Agency.....		\$1,728,674	\$1,728,674		
20	Dedicated Special Revenue.....		\$1,917,958,869	\$2,016,656,789		
21				\$2,520,033,195		
22	Federal Trust.....		\$15,204,913,130	\$17,161,234,796		
23				\$16,432,818,268		

ITEM 363.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
<b>1</b>			<b>OFFICE OF LABOR</b>			
<b>2</b>	363.	Not set out.				
<b>3</b>	364.	Not set out.				
<b>4</b>	365.	Not set out.				
<b>5</b>	366.	Not set out.				
<b>6</b>	367.	Not set out.				
<b>7</b>	368.	Not set out.				
<b>8</b>	369.	Not set out.				
<b>9</b>	370.	Not set out.				
<b>10</b>	371.	Not set out.				
<b>11</b>	372.	Not set out.				
<b>12</b>	TOTAL FOR OFFICE OF LABOR.....				<b>\$768,382,626</b>	<b>\$691,999,774</b>
<b>13</b>	General Fund Positions.....		147.90	147.90		
<b>14</b>	Nongeneral Fund Positions.....		1,133.10	1,133.10		
<b>15</b>	Position Level.....		1,281.00	1,281.00		
<b>16</b>	Fund Sources: General.....		\$18,278,458	\$15,278,458		
<b>17</b>	Special.....		\$14,604,274	\$14,355,812		
<b>18</b>	Trust and Agency.....		\$704,401,003	\$631,266,613		
<b>19</b>	Dedicated Special Revenue.....		\$24,141,603	\$24,141,603		
<b>20</b>	Federal Trust.....		\$6,957,288	\$6,957,288		

ITEM 373.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
<b>1</b>	<b>NATURAL AND HISTORIC RESOURCES</b>			
<b>2</b>	<b>§ 1-13. SECRETARY OF NATURAL RESOURCES (183)</b>			
<b>3</b>	373. Administrative and Support Services (79900).....		\$783,240	<del>\$783,240</del>
<b>4</b>				\$1,283,240
<b>5</b>	General Management and Direction (79901).....	\$783,240	<del>\$783,240</del>	
<b>6</b>		\$1,283,240		
<b>7</b>	Fund Sources: General.....	\$669,542	<del>\$669,542</del>	
<b>8</b>		\$1,169,542		
<b>9</b>	Federal Trust.....	\$113,698	\$113,698	
<b>10</b>	Authority: Title 2.2, Chapter 2, Article 7; and § 2.2-201, Code of Virginia.			
<b>11</b>	A. The Secretary of Natural and Historic Resources shall report to the Chairs of the Senate			
<b>12</b>	Committees on Finance and Appropriations, and Agriculture, Conservation, and Natural			
<b>13</b>	Resources, and the House Committees on Appropriations and Conservation and Natural			
<b>14</b>	Resources, by November 4 of each year on implementation of the Chesapeake Bay nutrient			
<b>15</b>	reduction strategies. The report shall include and address the progress and costs of point			
<b>16</b>	source and nonpoint source pollution strategies. The report shall include, but not be limited to,			
<b>17</b>	information on levels of dissolved oxygen, acres of submerged aquatic vegetation, computer			
<b>18</b>	modeling, variety and numbers of living resources, and other relevant measures for the			
<b>19</b>	General Assembly to evaluate the progress and effectiveness of the tributary strategies. In			
<b>20</b>	addition, the Secretary shall include information on the status of all of Virginia's			
<b>21</b>	commitments to the Chesapeake Bay Agreements.			
<b>22</b>	B. It is the intent of the General Assembly that a reserve be created within the Virginia Water			
<b>23</b>	Quality Improvement Fund to support the purposes delineated within the Virginia Water			
<b>24</b>	Quality Improvement Act of 1997 (WQIA 1997) when year-end general fund surpluses are			
<b>25</b>	unavailable. Consequently, 15 percent of any amounts appropriated to the Virginia Water			
<b>26</b>	Quality Improvement Fund due to annual general fund revenue collections in excess of the			
<b>27</b>	official estimates contained in the general appropriation act shall be withheld from			
<b>28</b>	appropriation, unless otherwise specified. When annual general fund revenue collections do			
<b>29</b>	not exceed the official revenue estimates contained in the general appropriation act, the			
<b>30</b>	reserve fund may be used for WQIA 1997 purposes as directed by the General Assembly			
<b>31</b>	within the general appropriation act.			
<b>32</b>	C. The Secretary of Natural and Historic Resources, with the assistance of the Directors of the			
<b>33</b>	Department of Conservation and Recreation, the Department of Environmental Quality, the			
<b>34</b>	Department of Wildlife Resources, and the Department of Historic Resources, shall provide			
<b>35</b>	an annual report to the Chairs of the House Appropriations and Senate Finance and			
<b>36</b>	Appropriations Committees of all projects undertaken pursuant to a settlement or mitigation			
<b>37</b>	agreement upon which the Secretary of Natural and Historic Resources is an authorized			
<b>38</b>	signatory on behalf of the Governor by November 15 each year until all terms of the			
<b>39</b>	settlement or mitigation agreement are satisfied. In addition, whenever a settlement or			
<b>40</b>	mitigation agreement is finalized, the Secretary shall provide a copy of, and explanation of,			
<b>41</b>	the terms of such settlement to the Chairs of the House Appropriations and Senate Finance			
<b>42</b>	and Appropriations Committees within 15 days.			
<b>43</b>	<i>D. Included in the appropriation for this Item is \$500,000 the second year from the general</i>			
<b>44</b>	<i>fund to consider and assess strategies and policies for the Commonwealth to improve</i>			
<b>45</b>	<i>intergovernmental and interagency coordination and to maximize federal funding</i>			
<b>46</b>	<i>opportunities in planning for and implementing flood resilience of both human and natural</i>			
<b>47</b>	<i>systems and infrastructures throughout the Commonwealth.</i>			
<b>48</b>	Total for Secretary of Natural Resources.....		\$783,240	<del>\$783,240</del>
<b>49</b>				\$1,283,240
<b>50</b>	General Fund Positions.....	5.00	5.00	
<b>51</b>	Position Level.....	5.00	5.00	
<b>52</b>	Fund Sources: General.....	\$669,542	<del>\$669,542</del>	
<b>53</b>		\$1,169,542		



ITEM 373.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Federal Trust.....	\$113,698	\$113,698		
2	<b>§ 1-14. DEPARTMENT OF CONSERVATION AND RECREATION (199)</b>				
3	374. Land and Resource Management (50300).....			\$483,960,272	\$600,035,140
4	Soil and Water Conservation (50301).....	\$327,239,500	\$353,714,368		
5	Dam Inventory, Evaluation and Classification and				
6	Flood Plain Management (50314).....	\$124,095,999	\$214,095,999		
7	Natural Heritage Preservation and Management				
8	(50317).....	\$6,227,682	\$6,227,682		
9	Financial Assistance to Soil and Water				
10	Conservation Districts (50320).....	\$11,847,091	\$11,447,091		
11	Technical Assistance to Soil and Water				
12	Conservation Districts (50322).....	\$5,850,000	\$5,850,000		
13	Agricultural Best Management Practices Cost				
14	Share Assistance (50323).....	\$8,700,000	\$8,700,000		
15	Fund Sources: General.....	\$353,228,401	\$494,303,269		
16	Special.....	\$1,040,887	\$1,040,887		
17	Dedicated Special Revenue.....	\$122,251,202	\$97,251,202		
18	Federal Trust.....	\$7,439,782	\$7,439,782		
19	Authority: Title 10.1, Chapters 1, 2, 5, 6, 7, and 21.1; Title 62.1, Chapter 3.1, Code of				
20	Virginia.				
21	A.1. Out of the amounts appropriated for Financial Assistance to Virginia Soil and Water				
22	Conservation Districts, \$11,347,091 the first year and \$10,947,091 the second year from				
23	the general fund shall be provided to soil and water conservation districts for				
24	administrative and operational support. These funds shall be distributed upon approval by				
25	the Virginia Soil and Water Conservation Board to the districts in accordance with the				
26	Board's established financial allocation policy. Of this amount, \$9,965,091 the first year				
27	and <del>\$9,565,091</del> \$9,809,091 the second year from the general fund shall be distributed to				
28	the districts for core administrative and operational expenses (personnel, training, travel,				
29	rent, utilities, office support, and equipment) based on identified budget projections and in				
30	accordance with the Board's financial allocation policy; \$468,000 the first year and				
31	\$468,000 the second year from the general fund shall be distributed at a rate of \$4,500 per				
32	dam for maintenance; \$500,000 the first year and \$500,000 the second year from the				
33	general fund for small dam repairs of known or suspected deficiencies; \$400,000 the first				
34	year from the general fund for the purchase and installation of remote monitoring				
35	equipment for District-owned dams; and \$170,000 the first year and \$170,000 the second				
36	year to the department to provide district support in accordance with Board policy,				
37	including, but not limited to, services related to auditing, bonding, contracts, and training.				
38	The amount appropriated for small dam repairs of known or suspected deficiencies and the				
39	purchase and installation of remote monitoring equipment is authorized for transfer to the				
40	Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund.				
41	2. Out of the appropriation in this Item, \$4,550,000 the first year and \$4,550,000 the				
42	second year shall be provided for base technical assistance support for the Virginia Soil				
43	and Water Conservation Districts. These funds shall be distributed upon approval by the				
44	Virginia Soil and Water Conservation Board to the districts in accordance with the Board's				
45	established financial allocation policy. These amounts shall be in addition to any other				
46	funding provided to the districts for technical assistance pursuant to subsections B and C				
47	of this Item for appropriations in excess of \$35,000,000. <i>The Virginia Soil and Water</i>				
48	<i>Conservation Board is authorized to utilize previous years' unobligated cost-share funds</i>				
49	<i>to provide technical assistance funding to Virginia Soil and Water Conservation Districts</i>				
50	<i>at a rate no higher than the technical assistance rate percentage funded in the current</i>				
51	<i>Appropriation Act.</i>				
52	3. The department shall provide a semi-annual report on or before February 15 and August				
53	15 of each year to the Chairmen of the House Appropriations and Senate and				
54	Appropriations Finance Committees on each Virginia soil and water conservation district's				
55	budget, revised budget, previous year's balance budget, and expenditure for the following:				
56	(i) the federal Conservation Reserve Enhancement Program, (ii) the use of Agricultural				

ITEM 374.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Best Management Cost-Share Program funds within the Chesapeake Bay watershed, (iii) the				
2	use of Agricultural Best Management Cost-Share Program funds within the Southern Rivers				
3	area, and (iv) the amount of Technical Assistance funding. The August 15 report shall reflect				
4	cumulative amounts.				
5	4. As part of the semi-annual report, the department shall assess the impact of settlement				
6	agreements with the Commonwealth entered into between July 1, 2017, and June 30, 2022, on				
7	achieving an effective level of Soil and Water Conservation District technical assistance				
8	funding and the implementation of agricultural best management practices pursuant to § 10.1-				
9	546.1., Code of Virginia. The department shall include in its report any amounts from the				
10	settlements including: 1) estimation of the timeline and amount for each fiscal year to				
11	implement agricultural best management practices; and 2) estimation of the timeline and				
12	amount for each fiscal year of additional technical assistance provided as a result of the				
13	additional funding from the settlements.				
14	B.1. Notwithstanding § 10.1-2129 A., Code of Virginia, \$313,013,000 the first year from the				
15	general fund shall be deposited to the Virginia Water Quality Improvement Fund established				
16	under the Water Quality Improvement Act of 1997. Of this amount in the first year,				
17	\$40,610,000 shall be appropriated to the Department for the following specified statewide				
18	uses: \$7,000,000 to the Department to support the Small Herd Initiative as approved by the				
19	Virginia Soil and Water Conservation Board, \$6,000,000 shall be used for the				
20	Commonwealth's match for participation in the Federal Conservation Reserve Enhancement				
21	Program (CREP); \$5,000,000 to the Department of Environmental Quality to support newly				
22	regulated municipal separate storm sewer system (MS4) localities; \$3,500,000 shall be				
23	provided the Department of Environmental Quality, collaborating with the Department of				
24	Health, to conduct studies of Harmful Algal Blooms occurring in the Shenandoah River and				
25	Lake Anna; \$4,560,000 shall be allocated for special nonpoint source reduction projects to				
26	include, but not be limited to, poultry litter transport, grants related to the development and				
27	certification of Resource Management Plans developed pursuant to §10.1-104.7, and, in the				
28	Chesapeake Bay watershed, grants related to the development and implementation of nutrient				
29	management plans developed in accordance with the regulations adopted pursuant to §10.1-				
30	104.2; \$4,000,000 shall be transferred to the Virginia Association of Soil and Water				
31	Conservation Districts to be used for the Virginia Conservation Assistance Program (VCAP);				
32	\$4,000,000 shall be transferred to the Department of Forestry for the Virginia Trees for Clean				
33	Water program; \$2,000,000 shall be provided to the Department to provide additional				
34	incentives for the maintenance of riparian buffers by agricultural producers; \$1,000,000 shall				
35	be provided to the Department of Environmental Quality to assist with the implementation of				
36	best management practices in accordance with the State Lands Watershed Implementation				
37	Plan; \$1,500,000 shall be provided to the Department for the development and continued				
38	maintenance of the Conservation Application Suite including costs related to servers and				
39	necessary software licenses; \$700,000 shall be provided to the Virginia Cooperative				
40	Extension, collaborating with the Department, to provide enhanced and targeted outreach,				
41	education, and technical assistance for agricultural and residential landowners in the				
42	Chesapeake Bay watershed; \$1,000,000 shall be transferred to the Department of Forestry for				
43	water quality grants; \$250,000 to the Department for the Small Farm Outreach Program; and				
44	\$100,000 shall be transferred to the Department of Health, collaborating with the Virginia				
45	Institute of Marine Sciences, to conduct analysis on statewide septic hot spots and map				
46	communities with failing or failed onsite wastewater treatment. \$15,895,679 is designated for				
47	deposit to the reserve within the Virginia Water Quality Improvement Fund.				
48	2. Of the remaining amount in the first year, \$256,507,321 is authorized for transfer to the				
49	Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement				
50	Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia				
51	Natural Resources Commitment Fund shall be distributed by the Department upon approval				
52	of the Virginia Soil and Water Conservation Board in accordance with the board's developed				
53	policies, as follows: \$164,744,889 shall be used for matching grants for Agricultural Best				
54	Management Practices on lands in the Commonwealth exclusively or partly within the				
55	Chesapeake Bay watershed, \$70,604,953 shall be used for matching grants for Agricultural				
56	Best Management Practices on lands in the Commonwealth exclusively outside the				
57	Chesapeake Bay watershed, and an additional \$21,157,479 in addition to the base funding				
58	provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water				
59	Conservation Districts.				

ITEM 374.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	3. Of the funds that are provided in paragraph B.1. to be used for the Virginia				
2	Conservation Assistance Program (VCAP) and for the Virginia Trees for Clean Water				
3	program, no less than 25 percent shall be used for projects in low-income geographic areas				
4	as defined by §10.1-603.24.				
5	D. The appropriations made in paragraph B. meet the mandatory deposit requirements				
6	associated with the FY 2021 excess general fund revenue collections and discretionary				
7	year-end general fund balances.				
8	E. It is the intent of the General Assembly, that notwithstanding the provisions of § 10.1-				
9	2132, Code of Virginia, the department is authorized to make Water Quality Improvement				
10	Grants to state agencies.				
11	F.1 Out of the appropriation in this Item, \$10,000,000 the first year and \$10,000,000 the				
12	second year from the Virginia Natural Resources Commitment Fund, a subfund of the				
13	Virginia Water Quality Improvement Fund, is hereby appropriated. The funds shall be				
14	dispersed by the department pursuant to § 10.1-2128.1, Code of Virginia.				
15	2. The source of an amount estimated at \$10,000,000 the first year and \$10,000,000 the				
16	second year to support the nongeneral fund appropriation to the Virginia Natural				
17	Resources Commitment Fund shall be the recordation tax fee established in Part 3 of this				
18	act.				
19	3. Out of this amount, a total of thirteen percent, or \$1,300,000, whichever is greater, shall				
20	be appropriated to Virginia Soil and Water Conservation Districts for technical assistance				
21	to farmers implementing agricultural best management practices, and \$8,700,000 for				
22	Agricultural Best Management Practices Cost-Share Assistance. Of the amount deposited				
23	for Cost-Share Assistance, seventy percent shall be used for matching grants for				
24	agricultural best management practices on lands in the Commonwealth exclusively or				
25	partly within the Chesapeake Bay watershed, and thirty percent shall be used for matching				
26	grants for agricultural best management practices on lands in the Commonwealth				
27	exclusively outside of the Chesapeake Bay watershed.				
28	G.1. Out of the appropriation in this Item, \$2,583,531 in the first year and \$2,583,531 in				
29	the second year from the funds designated in Item 3-1.01.C. of this act are hereby				
30	appropriated to the Virginia Water Quality Improvement Fund and designated for deposit				
31	to the reserve fund established pursuant to paragraph B of Item 373. It is the intent of the				
32	General Assembly that all interest earnings of the Water Quality Improvement Fund shall				
33	be spent only upon appropriation by the General Assembly, after the recommendation of				
34	the Secretary of Natural and Historic Resources, pursuant to § 10.1-2129, Code of				
35	Virginia.				
36	2. Notwithstanding the provisions of §§ 10.1-2128, 10.1-2129 and 10.1-2128.1, Code of				
37	Virginia, it is the intent of the General Assembly that the department use interest earnings				
38	from the Water Quality Improvement Fund and the Virginia Natural Resources				
39	Commitment Fund to support two positions to administer grants from the fund.				
40	H. Out of the appropriation in this Item, \$15,000 the first year and \$15,000 the second				
41	year from the general fund is provided to support the Rappahannock River Basin				
42	Commission. The funds shall be matched by the participating localities and planning				
43	district commissions.				
44	I. Notwithstanding § 10.1-552, Code of Virginia, Soil and Water Conservation Districts				
45	are hereby authorized to recover a portion of the direct costs of services rendered to				
46	landowners within the district and to recover a portion of the cost for use of district-owned				
47	conservation equipment. Such recoveries shall not exceed the amounts expended by a				
48	district on these services and equipment.				
49	J. Unless specified otherwise in this Item, it is the intent of the General Assembly that				
50	balances in Soil and Water Conservation be used first, and then balances from				
51	Agricultural Best Management Practices Cost Share Assistance be used for the				
52	Commonwealth's statewide match for participation in the federal Conservation Reserve				
53	Enhancement Program (CREP).				
54	K. The Water Quality Agreement Program shall be continued in order to protect the				

ITEM 374.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	waters of the Commonwealth through voluntary cooperation with lawn care operators across				
2	the state. The department shall encourage lawn care operators to voluntarily establish nutrient				
3	management plans and annual reporting of fertilizer application. If appropriate, then the				
4	program may be transferred to another state agency.				
5	L.1. Out of the appropriation in this Item, \$250,000 the first year and \$250,000 the second				
6	year from the general fund is provided to the department to make available competitive grants				
7	to provide Chesapeake Bay meaningful watershed educational experiences. The department				
8	may enter into two-year contracts contingent on funding being available in the second year of				
9	the biennium.				
10	2. Out of the appropriation in this item, \$350,000 the first year and \$350,000 the second year				
11	from the general fund is provided to the Department to support two positions in the Office of				
12	Environmental Education to provide increased opportunities for education programs on				
13	environmental issues across the Commonwealth, pursuant to § 10.1-104, Code of Virginia.				
14	The Office of Environmental Education shall develop and implement environmental				
15	education programs and the Virginia Strategic Plan for environmental literacy in collaboration				
16	with the Department of Education, the Science Museum of Virginia STEM program, and				
17	other relevant stakeholders.				
18	M. Out of the appropriation in this Item, \$200,000 the first year and \$200,000 the second year				
19	from the general fund is provided to the department for technical assistance to support				
20	Shoreline Erosion Advisory Services as established in § 10.1-702, Code of Virginia.				
21	N. Out of the appropriation in this Item, \$500,000 the first year and \$500,000 the second year				
22	from the general fund shall be provided to the Natural Heritage Program in support of active				
23	preserve management activities across Virginia's 66 Natural Area Preserves as identified by				
24	the Board of Conservation and Recreation.				
25	O. Notwithstanding § 54.1, Chapter 4, the U.S. Department of Agriculture's Natural				
26	Resources Conservation Service and Department of Conservation and Recreation Central				
27	Office staff may provide engineering services to the Department of Conservation and				
28	Recreation and the local Soil and Water Conservation Districts for design and construction of				
29	agriculture best management practices.				
30	P.1. Out of the amounts appropriated for Dam Inventory, Evaluation, and Classification and				
31	Flood Plain Management, \$10,732,147 the first year and \$732,147 the second year from the				
32	general fund shall be deposited to the Dam Safety, Flood Prevention and Protection				
33	Assistance Fund, established pursuant § 10.1-603.17, Code of Virginia.				
34	2. Unobligated balances in the Dam Safety, Flood Prevention and Protection Assistance Fund				
35	may be utilized in an amount not to exceed \$60,000 to perform activities necessary to update				
36	the flood protection plan for the Commonwealth and to make the plan accessible online. Once				
37	these activities are complete, the department will maintain and update the plan as needed				
38	within existing resources.				
39	Q. Out of the appropriation in this Item, \$400,000 the first year and \$400,000 the second year				
40	from the general fund is provided to support lynchbya remediation efforts at Lake Gaston.				
41	R. Out of the appropriation in this item, \$25,000,000 the first year from the unobligated				
42	balances of the Community Flood Preparedness Fund (09037) is provided for deposit in the				
43	Resilient Virginia Revolving Loan Fund.				
44	S.1. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law,				
45	\$131,029,312 the second year from the general fund shall be deposited to the Virginia Water				
46	Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Of				
47	this amount in the second year, \$19,654,397 is designated for deposit to the reserve within the				
48	Virginia Water Quality Improvement Fund; and, \$1,000,000 is provided to support the				
49	upgrade, development, and continued maintenance of the Conservation Application Suite				
50	including costs related to servers and necessary software licenses.				
51	2. Of the remaining amount in the second year, \$110,374,915 is authorized for transfer to the				
52	Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement				
53	Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia				
54	Natural Resources Commitment Fund shall be distributed by the Department upon approval				

ITEM 374.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	of the Virginia Soil and Water Conservation Board in accordance with the board's				
2	developed policies, as follows: \$67,218,323 shall be used for matching grants for				
3	Agricultural Best Management Practices on lands in the Commonwealth exclusively or				
4	partly within the Chesapeake Bay watershed, \$28,807,853 shall be used for matching				
5	grants for Agricultural Best Management Practices on lands in the Commonwealth				
6	exclusively outside the Chesapeake Bay watershed, and an additional \$14,348,739 in				
7	addition to the base funding provided in A.1. shall be appropriated for Technical				
8	Assistance for Virginia Soil and Water Conservation Districts.				
9	3. This appropriation meets the mandatory deposit requirements associated with the fiscal				
10	year 2022 excess general fund revenue collections and discretionary year-end general fund				
11	balances.				
12	T.1. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law,				
13	\$207,458,556 the second year from the general fund shall be deposited to the Virginia				
14	Water Quality Improvement Fund established under the Water Quality Improvement Act				
15	of 1997. Of this amount in the second year, \$31,118,783 is designated for deposit to the				
16	reserve within the Virginia Water Quality Improvement Fund.				
17	2. Of the remaining amount in the second year, \$176,339,773 is authorized for transfer to				
18	the Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality				
19	Improvement Fund. Notwithstanding any other provision of law, the funds transferred to				
20	the Virginia Natural Resources Commitment Fund shall be distributed by the Department				
21	upon approval of the Virginia Soil and Water Conservation Board in accordance with the				
22	board's developed policies, as follows: \$107,390,922 shall be used for matching grants for				
23	Agricultural Best Management Practices on lands in the Commonwealth exclusively or				
24	partly within the Chesapeake Bay watershed, \$46,024,681 shall be used for matching				
25	grants for Agricultural Best Management Practices on lands in the Commonwealth				
26	exclusively outside the Chesapeake Bay watershed, and an additional \$22,924,170 in				
27	addition to the base funding provided in A.1. shall be appropriated for Technical				
28	Assistance for Virginia Soil and Water Conservation Districts.				
29	3. This appropriation and the amounts elsewhere in this Item and Item 380 meet the				
30	mandatory deposit requirements associated with the fiscal year 2023 excess general fund				
31	revenue collections.				
32	U. Out of the appropriation in this item, \$1,000,000 the second year from the general fund				
33	is provided to support cyanobacteria mitigation and remediation efforts at Lake Anna.				
34	V.1. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law,				
35	\$100,000,000 the second year from the general fund shall be deposited into the Resilient				
36	Virginia Revolving Loan Fund.				
37	2. The appropriations made in subparagraph V.1. and elsewhere in this item and Item 380				
38	meet the mandatory deposit requirements to the Water Quality Improvement Fund				
39	associated with the fiscal year 2023 excess general fund revenue collections.				
40	W.1. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law,				
41	\$25,000,000 the second year from the general fund shall be deposited into the Virginia				
42	Water Quality Improvement Fund. This amount shall be used for major modification,				
43	upgrade, or rehabilitation of dams owned or maintained by the department and the				
44	Virginia Soil and Water Conservation Districts.				
45	2. The appropriations made in subparagraph W.1. and elsewhere in this item and Item 380				
46	meet the mandatory deposit to the Water Quality Improvement Fund requirements				
47	associated with the fiscal year 2023 excess general fund revenue collections.				
48	X. The Director of the Department of Planning and Budget is authorized to transfer				
49	general fund appropriation provided in Item C-43 of this act from capital to operating for				
50	deposit to the Soil and Water Conservation District Dam Maintenance, Repair, and				
51	Rehabilitation Fund established in § 10.1-611.1, Code of Virginia.				
52	375. Not set out.				

ITEM 376.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	376.	Not set out.				
2		Total for Department of Conservation and				
3		Recreation.....			\$603,591,139	\$703,364,423
4		General Fund Positions.....	474.50	480.50		
5		Nongeneral Fund Positions.....	49.50	50.50		
6		Position Level.....	524.00	531.00		
7		Fund Sources: General.....	\$431,138,368	\$556,564,758		
8		Special.....	\$35,041,827	\$35,041,827		
9		Dedicated Special Revenue.....	\$124,721,432	\$99,068,326		
10		Federal Trust.....	\$12,689,512	\$12,689,512		
11	377.	Not set out.				
12	378.	Not set out.				
13	379.	Not set out.				
14	380.	Not set out.				
15	381.	Not set out.				
16	382.	Not set out.				
17	383.	Not set out.				
18	384.	Not set out.				
19	385.	Not set out.				
20	<b>§ 1-15. DEPARTMENT OF HISTORIC RESOURCES (423)</b>					
21	386.	Historic and Commemorative Attraction				
22		Management (50200).....			\$38,894,888	\$22,472,048
23		Financial Assistance for Historic Preservation				
24		(50204).....	\$27,476,940	\$15,699,100		
25		Historic Resource Management (50205).....	\$11,417,948	\$6,772,948		
26		Fund Sources: General.....	\$35,508,009	\$19,085,169		
27		Special.....	\$1,164,349	\$1,164,349		
28		Commonwealth Transportation.....	\$210,000	\$210,000		
29		Dedicated Special Revenue.....	\$97,799	\$97,799		
30		Federal Trust.....	\$1,914,731	\$1,914,731		
31		Authority: Title 10.1, Chapters 22 and 23, Code of Virginia.				
32		A. Consistent with the provisions of § 4-13.00 of this act, general fund appropriations for				
33		historic and commemorative attractions identified within this item or for the purposes stated				
34		in § 10.1-2211.1 or § 10.1-2211.2, Code of Virginia, shall be disbursed as described within				
35		this item and shall not be subject to any other restrictions or statutory requirements unless				
36		specified within this item. Any other general fund appropriations for historic and				
37		commemorative attractions shall be matched by local or private sources, either in cash or in-				
38		kind, in amounts at least equal to the appropriation and which are deemed to be acceptable to				
39		the department.				
40		B. In emergency situations which shall be defined as those posing a threat to life, safety or				
41		property, § 10.1-2213, Code of Virginia, shall not apply.				
42		C. Pursuant to the provisions of § 10.1-2211.1, Code of Virginia, as amended by Chapter 639,				



ITEM 386.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	2018 Session of the General Assembly, out of the amounts provided for Financial				
2	Preservation shall be paid \$23,100 the first year and \$23,100 the second year from the				
3	general fund grants to the Virginia Society of the Sons of the American Revolution				
4	(VASSAR) and the Revolutionary War memorial associations caring for cemeteries as set				
5	forth in subsection B of § <a href="#">10.1-2211.1</a> , Code of Virginia. Such sums shall be expended by				
6	the associations for the routine maintenance of their respective Revolutionary War				
7	cemeteries and graves and for the graves of Revolutionary War soldiers and sailors not				
8	otherwise cared for in other cemeteries, and in erecting and caring for markers, memorials,				
9	and monuments to the memory of such soldiers, sailors, and persons rendering service to				
10	the Patriot cause in the Revolutionary War.				
11	D. Included in this appropriation is \$210,000 the first year and \$210,000 the second year				
12	in nongeneral funds from the Highway Maintenance and Operating Fund to support the				
13	Department of Historic Resources' required reviews of transportation projects.				
14	E. The Department of Historic Resources is authorized to accept a devise of certain real				
15	property under the will of Elizabeth Rust Williams known as Clermont Farm located on				
16	Route 7 east of the town of Berryville in Clarke County. If, after due consideration of				
17	options, the department determines that the property should be sold or leased to a different				
18	public or private entity, and notwithstanding the provisions of § <a href="#">2.2-1156</a> , Code of				
19	Virginia, then the department is further authorized to sell or lease such property, provided				
20	such sale or lease is not in conflict with the terms of the will. The proceeds of any such				
21	sale or lease shall be deposited to the Historic Resources Fund established under § <a href="#">10.1-</a>				
22	<a href="#">2202.1</a> , Code of Virginia.				
23	F. The Department of Historic Resources shall follow and provide input on federal				
24	legislation designed to establish a new national system of recognizing and funding				
25	Presidential Libraries for those entities that are not included in the 1955 Presidential				
26	Library Act.				
27	G.1. Included in this appropriation is \$4,500,000 the first year and \$11,500,000 the second				
28	year from the general fund to be deposited into the Virginia Battlefield Preservation Fund				
29	for grants to be made in accordance with § <a href="#">10.1-2202.4</a> , Code of Virginia. Any moneys				
30	remaining in the Fund, including interest thereon, at the end of each fiscal year shall not				
31	revert to the general fund but shall remain in the Fund. This appropriation shall be deemed				
32	sufficient to meet the provisions of § <a href="#">2.2-1509.4</a> , Code of Virginia.				
33	2. From the amounts in this item, \$1,500,000 in the first year and \$4,000,000 the second				
34	year shall be granted to the battlefield preservation organizations donating property at the				
35	proposed Culpeper Battlefields State Park in order that they may expeditiously acquire up				
36	to 800 additional acres at the site and donate this acreage to the Department of				
37	Conservation and Recreation. Such grants shall be exempt from the matching fund and				
38	easement recordation requirements of § <a href="#">10.1-2202.4</a> , Code of Virginia.				
39	3. From the amounts in this item, \$2,500,000 the first year and \$2,250,000 the second year				
40	shall be granted to the battlefield organization that manages the Shenandoah Valley				
41	Battlefields National Historic District in order that they may effectively promote heritage				
42	tourism, increase public access to preserved lands, and improve the visitor experience at				
43	already preserved battlefield sites throughout the Shenandoah Valley. Such improvements				
44	when completed shall result in the development of seven new battlefield parks across four				
45	counties. Improvements shall include highway signage, parking facilities, trailheads,				
46	restroom facilities, trails, interpretive signage, environmental protections, fencing, the				
47	completion of the Shenandoah Valley Civil War Museum, and the creation of the New				
48	Market History and Education Center. Such grants shall be exempt from the matching				
49	fund and easement recordation requirements of § <a href="#">10.1-2202.4</a> , Code of Virginia.				
50	4. From the amounts in this item, \$3,750,000 the second year from the general fund shall				
51	be granted to the battlefield organization that manages the Shenandoah Battlefields				
52	National Historic District in order that they may expeditiously acquire for permanent				
53	preservation and public enjoyment additional acres of the New Market Battlefield; \$1.0				
54	million of this amount shall be deposited into a maintenance fund to be administered				
55	according to terms set forth by the Director. Such grants shall be exempt from the				
56	matching fund and easement recordation requirements of § <a href="#">10.1-2202.4</a> of the Code of				
57	Virginia.				

ITEM 386.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	H. The Department of Historic Resources is authorized to require applicants for tax credits for				
2	historic rehabilitation projects under § 58.1-339.2, Code of Virginia, to provide an audit by a				
3	certified public accountant licensed in Virginia, in accordance with guidelines developed by				
4	the department in consultation with the Auditor of Public Accounts. The department is also				
5	authorized to contract with tax, financial, and other professionals to assist the department with				
6	the oversight of historic rehabilitation projects for which tax credits are anticipated.				
7	I.1. Included in this Item is \$250,000 the first year and \$250,000 the second year from the				
8	general fund to support the preservation and care of historical African American graves and				
9	cemeteries.				
10	2. Pursuant to § 10.1-2211.2., Code of Virginia, \$34,875 the first year and \$34,875 the second				
11	year from the general fund is provided to support the preservation and care of historical				
12	African American graves at the East End Cemetery in Henrico County, Virginia and the				
13	Evergreen Cemetery in Richmond, Virginia.				
14	3. Pursuant to § 10.1-2211.2., Code of Virginia, \$960 the first year and \$960 the second year				
15	from the general fund is provided to to support the preservation and care of historical African				
16	American graves at the Daughters of Zion Cemetery in Charlottesville, Virginia.				
17	4. Pursuant to § 10.1-2211.2, Code of Virginia, \$1,330 the first year and \$1,330 the second				
18	year from the general fund is provided to support the preservation and care of historical				
19	African American graves at the Mt. Calvary Cemetery in Portsmouth, Virginia.				
20	5. Pursuant to § 10.1-2211.2, Code of Virginia, \$385 the first year and \$385 the second year				
21	from the general fund is provided to support the preservation and care of historical African				
22	American graves at the African-American Burial Ground for the Enslaved at Belmont and Mt.				
23	Zion Old Baptist Church Cemetery in Loudoun County, Virginia.				
24	6. Pursuant to § 10.1-2211.2, Code of Virginia, \$385 the first year and \$385 the second year				
25	from the general fund is provided to support the preservation and care of historical African				
26	American graves at the New River and West Dublin Cemeteries in Pulaski County, Virginia.				
27	7. Pursuant to §10.1-2211.2, Code of Virginia, \$2,340 the first year and \$2,340 the second				
28	year from the general fund is provided to support the preservation and care of historical				
29	African American graves at Oak Lawn Cemetery in Suffolk, Virginia.				
30	8. Pursuant to § 10.1-2211.2, Code of Virginia, \$3,855 the first year and \$3,855 the second				
31	year from the general fund is provided to support the preservation and care of historical				
32	African American graves at the following cemeteries in Hampton Virginia: 212 graves at				
33	Bassonette's Cemetery, 339 graves at Elmerton Cemetery, 14 graves at Queen Street				
34	Cemetery, 29 graves at Pleasant Shade Cemetery, 15 graves at the Tucker Family Cemetery,				
35	125 graves at Union Street Cemetery and 37 graves at Good Samaritan Cemetery.				
36	9. Pursuant to § 10.1-2211.2, Code of Virginia, \$975 the first year and \$975 the second year				
37	from the general fund is provided to support the preservation and care of historical African				
38	American graves at Matthews, People's and Smith Street Cemeteries in Martinsville, Virginia.				
39	10. Pursuant to § 10.1-2211.2, Code of Virginia, \$9,715 the first year and \$9,715 the second				
40	year from the general fund is provided to support the preservation and care of historical				
41	African American graves at six cemeteries in Alexandria, Virginia.				
42	11. Pursuant to § 10.1-2211.2, Code of Virginia, \$485 the first year and \$485 the second year				
43	from the general fund is provided to support the preservation and care of historical African				
44	American graves at Wake Forest and Westview Cemeteries in Montgomery County, Virginia.				
45	12. Pursuant to § 10.1-2211.2, Code of Virginia, \$455 the first year and \$455 the second year				
46	from the general fund is provided to support the preservation and care of historical African				
47	American graves at Mountain View Cemetery in Radford, Virginia.				
48	13. Pursuant to § 10.1-2211.2, Code of Virginia, \$1,330 the first year and \$1,330 the second				
49	year from the general fund is provided to support the preservation and care of historical				
50	African American graves at Calloway, Lomax, and Mount Salvation Cemeteries in Arlington				
51	County, Virginia.				



ITEM 386.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	14. Pursuant to § 10.1-2211.2, Code of Virginia, \$2,000 the first year and \$2,000 the				
2	second year from the general fund is provided to support the preservation and care of				
3	historical African American graves at Newtown Cemetery in Harrisonburg, Virginia.				
4	15. Pursuant to § 10.1-2211.2, Code of Virginia, \$260 the first year and \$260 the second				
5	year from the general fund is provided to support the preservation and care of historical				
6	African American graves at Cuffeytown Cemetery in Chesapeake, Virginia.				
7	16. Pursuant to § 10.1-2211.2, Code of Virginia, \$180 the first year and \$180 the second				
8	year from the general fund is provided to support the preservation and care of historical				
9	African American graves at Stanton Family Cemetery in Buckingham County, Virginia.				
10	J. The Department of Historic Resources is authorized to collect administrative fees for				
11	the provision of easement and stewardship services. Revenues generated from the				
12	easement fee schedule shall be deposited into the Preservation Easement Fund pursuant to				
13	§ 10.1-2202.2., Code of Virginia.				
14	K. The Department of Historic Resources is authorized to enter into an agreement with				
15	one or more Virginia-based Historically Black Colleges and Universities to provide paid				
16	internships to enrolled students for data collection and outreach activities to expand				
17	Virginia's historical property catalogue to include underrepresented African American and				
18	indigenous communities. Included within the amounts in this item, \$100,000 the first year				
19	and \$100,000 the second year from the general fund is provided for the internship				
20	program.				
21	L. Consistent with the provisions of § 10.1-2214, Code of Virginia, \$159,479 the first year				
22	and \$159,479 the second year from the general fund is provided to maintain an underwater				
23	archaeology program.				
24	M. Out of the amounts in this Item, \$5,000,000 the first year from the general fund shall				
25	be deposited to the Virginia Black, Indigenous, and People of Color Historic Preservation				
26	Fund, as established in § 10.1-2202.5, Code of Virginia, a <del>special, nonreverting fund</del>				
27	for the awarding of grants for the preservation of <del>archaeological</del> historic sites associated with				
28	Black, Indigenous, and People of Color (BIPOC). <i>Notwithstanding the provisions of §</i>				
29	<i>10.1-2202.5 F, grants from the Fund may be awarded to eligible recipients provided that</i>				
30	<i>the grantee provides a perpetual public benefit to be determined by the Director.</i>				
31	N. Out of the amounts in this Item, \$500,000 the first year from the general fund is				
32	provided to the City of Alexandria for preservation of the Douglass Memorial Cemetery.				
33	O. Out of the amounts in this Item, \$100,000 the first year from the general fund is				
34	provided to the City of Richmond for activities undertaken by the Elegba Folklore				
35	Society.				
36	P. Out of the amounts in this Item, \$1,000,000 the first year from the general fund is				
37	provided to the City of Norfolk for expansion of the Chrysler Museum's Perry Glass				
38	Studio.				
39	Q. Out of the amounts in this Item, \$2,000,000 the first year from the general fund is				
40	provided to the City of Richmond for capital improvements at the Virginia Museum of				
41	History and Culture.				
42	R. Out of the amounts in this Item, \$300,000 the first year from the general fund is				
43	provided to the City of Richmond for activities undertaken by Preservation Virginia.				
44	S. Out of the amounts in this Item, \$1,000,000 the first year from the general fund is				
45	provided to the County of Westmoreland for expanded interpretation at Stratford Hall.				
46	T. Out of the amounts in this Item, \$1,000,000 the first year from the general fund is				
47	provided to the County of Richmond for preservation and restoration activities undertaken				
48	by the Menokin Foundation.				
49	U. Out of the amounts in this Item, \$1,000,000 the first year from the general fund is				
50	provided to the City of Richmond for improvements at the Valentine Museum.				
51	V. Out of the amounts in this item, \$6,000,000 the first year from the general fund is				

ITEM 386.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	provided to the County of Botetourt to support the site acquisition, design and construction of				
2	the new Fincastle Museum within the boundaries of the Town of Fincastle. As a condition of				
3	receiving this amount, the County must provide no less than \$500,000 in local matching				
4	funds.				
5	W. Out of the amounts in this item, \$250,000 the first year from the general fund to the				
6	County of Nelson to support planning for the development of the Vietnam War and Foreign				
7	Conflicts Museum.				
8	X. The Department of Historic Resources is authorized to enter into an agreement with one or				
9	more indigenous Virginia tribes to identify and protect their cultural properties and to provide				
10	paid internships to students for data collection and outreach activities that expand Virginia's				
11	historical property catalogue to include underrepresented indigenous properties. Included				
12	within the amounts in this item, \$50,000 in each year from the general fund is provided for				
13	paid internships for data collection.				
14	Y. Out of the amounts in this item, \$4,000,000 the first year from the general fund is provided				
15	to the City of Alexandria for development of the Senator John Warner Maritime Heritage				
16	Center.				
17	Z. Out of the amounts for Financial Assistance for Historic Preservation, \$250,000 the first				
18	year from the general fund shall be provided to the City of Staunton as a one-time grant to the				
19	Woodrow Wilson Presidential Library Foundation to support necessary renovations,				
20	accessibility improvements, and educational outreach at the Woodrow Wilson Presidential				
21	Library.				
22	AA. Out of the amounts in this item, \$500,000 the first year and \$275,000 the second year				
23	from the general fund is provided to the City of Roanoke for improvements at the Virginia				
24	Museum of Transportation.				
25	BB. Out of the amounts in this item, \$100,000 the first year from the general fund to the City				
26	of Hopewell to support improvements at Weston Manor.				
27	CC. Out of the amounts in this item, \$25,000 the first year from the general fund is provided				
28	to the City of Virginia Beach for restoration activities at the Pleasant Ridge School.				
29	DD. Out of the amounts in this item, \$2,000,000 the first year from the general fund is				
30	provided to the City of Chesapeake to support Phase III projects at the Historic Village at				
31	Great Dismal Swamp.				
32	EE. Out of the amounts in this item, \$650,000 the first year from the general fund is provided				
33	to the City of Chesapeake for preservation activities at the Jolliff Landing Fort site.				
34	FF. Out of the amounts in this item, \$327,840 the first year from the general fund is provided				
35	to the County of Campbell for renovations and repairs at the Rosenwald Community Center-				
36	Campbell County Training School.				
37	GG. Out of the amounts in this item, \$75,000 the first year from the general fund is provided				
38	to the City of Richmond for preservation of Moore Street School.				
39	HH. Out of the amounts in this item, \$200,000 the second year from the general fund is				
40	provided to the City of Charlottesville for school-based public learning and engagement				
41	programs at the Jefferson School African American Heritage Center and the Center for Local				
42	Knowledge Programs.				
43	II. Out of the amounts in this item, \$200,000 the second year from the general fund is				
44	provided to the County of Nelson for renovations to the Nelson Heritage Center.				
45	JJ. Out of the amounts in this item, \$600,000 the second year from the general fund is				
46	provided to the City of Charlottesville in support of development of a pedestrian bridge and				
47	accessible parking area to improve pedestrian access to the Dogwood Veterans Memorial.				
48	KK. Out of the amounts in this item, \$100,000 the second year from the general fund is				
49	provided to the County of Brunswick for the conservation and restoration of the James				
50	Solomon Russell/Saint Paul's College Museum and Archives.				

ITEM 386.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	LL. Out of the amounts in this item, \$200,000 the second year from the general fund is				
2	provided to the County of Fairfax to support preservation efforts of the Gum Springs				
3	Museum and Cultural Center. As a condition of receiving this amount, the County must				
4	provide no less than \$100,000 in local matching funds.				
5	MM. Out of the amounts in this item, \$310,000 the second year from the general fund is				
6	provided to the County of Fluvanna for structural repair and stabilization of the historic				
7	Fluvanna County Courthouse.				
8	NN. Out of the amounts in this item, \$140,000 the second year from the general fund is				
9	provided to the Town of Pocahontas for renovation of Pocahontas Cemetery.				
10	OO. Out of the amounts in this item, \$100,000 the second year from the general fund is				
11	provided to the City of Hopewell to support construction of a welcome center at Weston				
12	Manor.				
13	PP. Out of the amounts in this item, \$175,000 the second year from the general fund is				
14	provided to the County of Greenville for preservation activities at the Greenville County				
15	Training School.				
16	QQ. Out of the amounts in this item, \$500,000 the second year from the general fund is				
17	provided to the County of Botetourt to support improvements at the Buchanan Theater.				
18	RR. Out of the amounts in this item, \$250,000 the second year from the general fund is				
19	provided to assist in the preservation of archaeological evidence in the area known as				
20	Smith's Field in the area around James Fort.				
21	387. Not set out.				
22	Total for Department of Historic Resources.....			\$39,924,864	\$23,502,024
23	General Fund Positions.....	35.00	35.00		
24	Nongeneral Fund Positions.....	19.00	19.00		
25	Position Level.....	54.00	54.00		
26	Fund Sources: General.....	\$36,310,796	\$19,887,956		
27	Special.....	\$1,210,554	\$1,210,554		
28	Commonwealth Transportation.....	\$210,000	\$210,000		
29	Dedicated Special Revenue.....	\$97,799	\$97,799		
30	Federal Trust.....	\$2,095,715	\$2,095,715		
31	388. Not set out.				
32	389. Not set out.				
33	390. Not set out.				
34	391. Not set out.				
35	TOTAL FOR NATURAL AND HISTORIC				
36	RESOURCES.....			\$967,459,378	\$1,243,354,482
37					\$1,243,854,482
38	General Fund Positions.....	1,075.50	1,081.50		
39	Nongeneral Fund Positions.....	1,158.00	1,159.00		
40	Position Level.....	2,233.50	2,240.50		
41	Fund Sources: General.....	\$557,703,582	\$859,251,792		
42			\$859,751,792		
43	Special.....	\$59,270,733	\$59,270,733		
44	Commonwealth Transportation.....	\$523,768	\$523,768		
45	Enterprise.....	\$13,540,093	\$13,540,093		
46	Trust and Agency.....	\$38,540,279	\$38,540,279		

<b>ITEM 391.</b>		<b>Item Details(\$)</b>		<b>Appropriations(\$)</b>	
		<b>First Year FY2023</b>	<b>Second Year FY2024</b>	<b>First Year FY2023</b>	<b>Second Year FY2024</b>
<b>1</b>	Dedicated Special Revenue.....	\$233,453,881	\$207,800,775		
<b>2</b>	Federal Trust.....	\$64,427,042	\$64,427,042		

ITEM 392.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	<b>OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY</b>			
2	<b>§ 1-16. SECRETARY OF PUBLIC SAFETY AND HOMELAND SECURITY (187)</b>			
3	392. Administrative and Support Services (79900).....		\$1,223,977	<del>\$1,223,977</del>
4				\$723,977
5	General Management and Direction (79901).....	\$1,223,977	<del>\$1,223,977</del>	
6			\$723,977	
7	Fund Sources: General.....	\$1,223,977	<del>\$1,223,977</del>	
8			\$723,977	
9	Authority: Title 2.2, Chapter 2, Article 8, and § <a href="#">2.2-201</a> , Code of Virginia.			
10	A. The Secretary of Public Safety and Homeland Security shall present revised six-year			
11	state and local juvenile and state and local responsibility adult offender population			
12	forecasts to the Governor, the Chairs of the House Appropriations and Senate Finance and			
13	Appropriations Committees, and the Chairs of the House Courts of Justice and Senate			
14	Judiciary Committees by October 15 of each year. The secretary shall ensure that the			
15	revised forecast for state-responsible adult offenders shall include an estimate of the			
16	number of probation violators included each year within the overall population forecast			
17	who may be appropriate for alternative sanctions.			
18	B. The secretary shall continue to work with other secretaries to (i) develop services			
19	intended to improve the re-entry of offenders from prisons and jails to general society and			
20	(ii) enhance the coordination of service delivery to those offenders by all state agencies.			
21	The secretary shall provide a status report on actions taken to improve offender			
22	transitional and reentry services, as provided in § <a href="#">2.2-221.1</a> , Code of Virginia, including			
23	improvements to the preparation and provision for employment, treatment, and housing			
24	opportunities for those being released from incarceration. The report shall be provided to			
25	the Governor and the Chairs of the House Appropriations and Senate Finance and			
26	Appropriations Committees no later than November 15 of each year.			
27	<del>C. Included in the appropriation for this item is \$500,000 the first year and \$500,000 the</del>			
28	<del>second year from the general fund for the Commonwealth's nonfederal cost match</del>			
29	<del>requirement to accomplish the United States Corps of Engineers Regional Reconnaissance</del>			
30	<del>Flood Control Study for both the Hampton Roads and Northern Neck regions as</del>			
31	<del>authorized by the U.S. Congress. Any balances not needed to complete these studies may</del>			
32	<del>be used to conduct a comparable study in the Northern Virginia region.</del>			
33	<del>D. C.</del> The Secretary of Public Safety and Homeland Security, or his designee, shall			
34	convene a work group to examine the costs and feasibility of the implementation of Senate			
35	Bill 134, 2022 Session of the General Assembly. The work group shall include			
36	representatives from the Department of Juvenile Justice, the Office of the Executive			
37	Secretary, Court Service Units, Juvenile Detention Centers, Juvenile and Domestic			
38	Relations District Courts, the Department of Corrections, the Department of Behavioral			
39	Health and Developmental Services, the Department of Planning and Budget, appropriate			
40	staff from the House Appropriations and Senate Finance and Appropriations Committees,			
41	and other appropriate stakeholders. The work group shall develop cost estimates and the			
42	associated efforts necessary to implement the provisions of Senate Bill 134, to include the			
43	state and local fiscal impact and any cost savings realized by reducing the number of			
44	individuals in the adult criminal justice system. In conducting this assessment, the work			
45	group shall review the experience of other states that have implemented similar			
46	legislation. The Secretary of Public Safety and Homeland Security shall submit a report of			
47	the work group's findings to the Governor and the Chairs of the House Appropriations and			
48	Senate Finance and Appropriations Committees by October 1, 2022.			
49	<del>E. F. D.1.</del> The Secretary of Public Safety and Homeland Security, in collaboration with the			
50	Secretary of Education and the Secretary of Health and Human Resources, with the			
51	cooperation and assistance of the Department of Planning and Budget, the Virginia			
52	Association of Counties, and the Virginia Municipal League, shall evaluate and submit to			
53	the General Assembly no later than October 15, 2024, a report on juvenile detention center			
54	cost savings strategies. The report shall include a proposal to reduce state formula			

ITEM 392.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	financial assistance for juvenile confinement in local facilities ("juvenile detention center				
2	block grant") in order to incentivize consolidation of juvenile detention centers in the				
3	Commonwealth. The proposal shall: (i) recommend five to eight juvenile detention centers for				
4	consolidation, identifying the five to eight facilities recommended for closure and alternative				
5	facilities recommended to house youth impacted by the closures; (ii) describe the criteria used				
6	to identify such facilities including, but not limited to, distance between the facilities				
7	recommended for closure and the recommended alternative sites of incarceration, funded and				
8	licensed capacity, historical and projected average daily population by region, age and				
9	condition of facilities and their electronic security systems, outstanding debt service, deferred				
10	maintenance and annual maintenance reserve as a percentage of the replacement asset value,				
11	potential for repurposing or sale of facilities recommended for closure, regional distribution of				
12	juvenile detention centers, and availability of programming; (iii) estimate the state savings				
13	that would result from elimination of juvenile detention center block grant funding for				
14	facilities recommended for closure, net any expected increase in block grant or per diem				
15	funding for facilities recommended to house additional youth; and (iv) recommend two to five				
16	options for reinvesting the net savings in services for youth involved or at-risk of becoming				
17	involved in the juvenile justice system.				
18	2. In addition, the report shall assess alternative delivery models for education services at				
19	juvenile detention centers, including: (i) determining the extent to which each juvenile				
20	detention center currently implements or could further implement cost effective staffing				
21	methods, including strategies identified in the 2021 Board of Education report entitled				
22	"Recommendations for Appropriate Staffing and Funding Levels Necessary for State				
23	Operated Programs (SOPs) in Regional and Local Detention Centers"; (ii) continuing to				
24	develop an alternative to the statutorily required 1:12 teacher to student staffing ratio; (iii)				
25	utilizing full-time special education teachers to coordinate, plan, and substitute for part-time				
26	teachers shared with either the local school division or other state operated programs; and (iv)				
27	determining and providing the feasibility and potential cost savings of each alternative				
28	delivery model, as well as specific actions to implement each model.				
29	393. Not set out.				
30	Total for Secretary of Public Safety and Homeland				
31	Security.....			\$1,825,060	<del>\$1,825,060</del>
32					\$1,325,060
33	General Fund Positions.....	6.00	6.00		
34	Nongeneral Fund Positions.....	3.00	3.00		
35	Position Level.....	9.00	9.00		
36	Fund Sources: General.....	\$1,223,977	<del>\$1,223,977</del>		
37			\$723,977		
38	Federal Trust.....	\$601,083	\$601,083		
39	394. Not set out.				
40	395. Not set out.				
41	396. Not set out.				
42	397. Not set out.				
43	§ 1-17. DEPARTMENT OF CORRECTIONS (799)				
44	398. Not set out.				
45	399. Not set out.				
46	400. Not set out.				
47	401. Not set out.				

ITEM 401.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	402.	Operation of Secure Correctional Facilities			
2		(39800).....			
3				\$867,543,295	<del>\$877,511,223</del>
4					\$882,843,811
5		Supervision and Management of Inmates (39802)...			
6		\$553,750,458	\$561,290,746		
7		Rehabilitation and Treatment Services - Prisons			
8		(39803).....			
9		\$51,791,209	<del>\$54,218,849</del>		
10			\$59,551,437		
11		Prison Management (39805).....			
12		\$74,012,872	\$74,012,872		
13		Food Services - Prisons (39807).....			
14		\$41,065,447	\$41,065,447		
15		Agribusiness (39811).....			
16		\$12,783,017	\$12,783,017		
17		Correctional Enterprises (39812).....			
18		\$51,856,358	\$51,856,358		
19		Physical Plant Services - Prisons (39815).....			
20		\$82,283,934	\$82,283,934		
21		Fund Sources: General.....			
22		\$812,361,937	<del>\$822,329,865</del>		
23			\$827,662,453		
24		Special.....			
25		\$55,181,358	\$55,181,358		
26		Authority: §§ 53.1-1, 53.1-5, 53.1-8, and 53.1-10, Code of Virginia.			
27		A. Included in this appropriation is \$1,620,000 the first year and \$1,620,000 the second			
28		year from nongeneral funds for the purposes listed below. The source of the funds is			
29		commissions generated by prison commissary operations:			
30		1. \$220,000 the first year and \$220,000 the second year for Assisting Families of Inmates,			
31		Inc., to provide transportation for family members to visit offenders in prison and other			
32		ancillary services to family members;			
33		2. \$1,325,000 the first year and \$1,325,000 the second year for distribution to			
34		organizations that work to enhance faith-based services to inmates; and			
35		3. \$75,000 the first year and \$75,000 the second year for the "FETCH" program.			
36		B.1. The Department of Corrections is authorized to contract with other governmental			
37		entities to house male and female prisoners from those jurisdictions in facilities operated			
38		by the department.			
39		2. The State Comptroller shall continue to maintain the Contract Prisoners Special			
40		Revenue Fund on the books of the Commonwealth to reflect the activities of contracts			
41		between the Commonwealth of Virginia and other governmental entities for the housing			
42		of prisoners in facilities operated by the Virginia Department of Corrections.			
43		3. The Department of Corrections shall determine whether it may be possible to contract			
44		to house additional federal inmates or inmates from other states in space available within			
45		state correctional facilities. The department may, subject to the approval of the Governor,			
46		enter into such contracts, to the extent that sufficient bedspace may become available in			
47		state facilities for this purpose.			
48		C. The Department of Corrections may enter into agreements with local and regional jails			
49		to house state-responsible offenders in such facilities and to affect transfers of convicted			
50		state felons between and among such jails. Such agreements shall be governed by the			
51		provisions of Item 73 of this act.			
		D. To the extent that the Department of Corrections privatizes food services, the			
		department shall also seek to maximize agribusiness operations.			
		E. Notwithstanding the provisions of § 53.1-45, Code of Virginia, the Department of			
		Corrections is authorized to sell on the open market and through the Virginia Farmers'			
		Market Network any dairy, animal, or farm products of which the Commonwealth imports			
		more than it exports.			
		F. It is the intention of the General Assembly that § 53.1-47, the Code of Virginia,			
		concerning articles and services produced or manufactured by persons confined in state			
		correctional facilities, shall be construed such that the term "manufactured" articles shall			
		include "remanufactured" articles.			

ITEM 402.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	G.1. The Department of Corrections, in coordination with the Virginia Supreme Court, shall				
2	continue to operate a behavioral correction program. Offenders eligible for such a program				
3	shall be those offenders: (i) who have never been convicted of a violent felony as defined in §				
4	17.1-805 of the Code of Virginia and who have never been convicted of a felony violation of				
5	§§ 18.2-248 and 18.2-248.1 of the Code of Virginia; (ii) for whom the sentencing guidelines				
6	developed by the Virginia Criminal Sentencing Commission would recommend a sentence of				
7	four years or more in facilities operated by the Department of Corrections; and (iii) whom the				
8	court determines require treatment for drug or alcohol substance abuse. For any such offender,				
9	the court may impose the appropriate sentence with the stipulation that the Department of				
10	Corrections place the offender in an intensive therapeutic community-style substance abuse				
11	treatment program as soon as possible after receiving the offender. Upon certification by the				
12	Department of Corrections that the offender has successfully completed such a program of a				
13	duration of 24 months or longer, the court may suspend the remainder of the sentence				
14	imposed by the court and order the offender released to supervised probation for a period				
15	specified by the court.				
16	2. If an offender assigned to the program voluntarily withdraws from the program, is removed				
17	from the program by the Department of Corrections for intractable behavior, fails to				
18	participate in program activities, or fails to comply with the terms and conditions of the				
19	program, the Department of Corrections shall notify the court, outlining specific reasons for				
20	the removal and shall reassign the defendant to another incarceration assignment as				
21	appropriate. Under such terms, the offender shall serve out the balance of the sentence				
22	imposed by the court, as provided by law.				
23	3. The Department of Corrections shall collect the data and develop the framework and				
24	processes that will enable it to conduct an in-depth evaluation of the program three years after				
25	it has been in operation. The department shall submit a report periodically on the program to				
26	the Chief Justice as he may require and shall submit a report on the implementation of the				
27	program and its usage to the Secretary of Public Safety and Homeland Security and the Chairs				
28	of the House Appropriations and Senate Finance and Appropriations Committees by June 30				
29	of each year.				
30	H. Included in the appropriation for this Item is \$250,000 the first year and \$250,000 the				
31	second year from nongeneral funds for a culinary arts program in which inmates are trained to				
32	operate food service activities serving agency staff and the general public. The source of the				
33	funds shall be revenues generated by the program. Any revenues so generated by the program				
34	shall not be subject to § 4-2.02 of this act and shall be used by the agency for the costs of				
35	operating the program. The State Comptroller shall continue to maintain the Inmate Culinary				
36	Arts Training Program Fund on the books of the Commonwealth to reflect the revenue and				
37	expenditures of this program.				
38	I. Federal funds received by the Department of Corrections from the federal Residential				
39	Substance Abuse Treatment Program shall be exempt from payment of statewide and agency				
40	indirect cost recoveries into the general fund.				
41	J. The Department of Corrections shall continue to operate a separate program for inmates				
42	under 18 years old who have been tried and convicted as adults and committed to the				
43	Department of Corrections. This separation of these offenders from the general prison				
44	population is required by the requirements of the federal Prison Rape Elimination Act.				
45	K. Included within the appropriation for this item is \$214,103 the first year and \$242,923 the				
46	second year and two positions from the general fund for the Sex Offender Residential				
47	Treatment Program.				
48	L. Out of this appropriation, \$471,420 the first year and \$471,420 the second year from the				
49	general fund and five positions to implement the recommendations of the Secretary of Public				
50	Safety and Homeland Security's workgroup on Access to Sex Offender Treatment.				
51	M. Included in this appropriation is \$250,000 the first year and \$250,000 the second year				
52	from the general fund for the expansion and subsidization of the family video visitation				
53	services in its secure correctional facilities.				
54	N. Included in the appropriation for this Item is \$2,021,037 the first year and \$2,425,245 the				
55	second year and 33 positions from the general fund to reduce the ratio of mental health				



ITEM 402.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	clinicians to inmates in correctional facilities. The Department of Corrections shall report				
2	on mental health screenings and assessments, monitoring, and mental health treatment				
3	plans and services provided, including but not limited to reentry services and recidivism				
4	rates for those individuals who required mental health services in correctional facilities.				
5	The report shall be submitted to the Governor, the Chairs of the House Appropriations and				
6	Senate Finance and Appropriations Committees, and the Director, Department of Planning				
7	and Budget by November 1, 2023.				
8	O.1. Included in the appropriation for this Item is \$26,072,637 the first year and				
9	\$30,520,519 the second year from the general fund to increase minimum salaries and to				
10	address salary compression issues for correctional officers, sergeants, captains,				
11	lieutenants, and majors effective July 10, 2022.				
12	2. The Department shall report on the allocation of these funds and their effectiveness in				
13	addressing the workforce challenges identified by the workgroup under Chapter 1,				
14	Virginia Acts of Assembly, 2021 Special Session II. The report shall detail the number of				
15	vacancies, identify and report on specific measures of effectiveness that indicate the				
16	degree to which these salary adjustments reduce the number of vacancies, and discuss				
17	other ongoing efforts implemented by the department to recruit and retain qualified and				
18	diverse correctional officer personnel. A report shall be submitted to the Governor, the				
19	Chairs of the House Appropriations and Senate Finance and Appropriations Committees,				
20	the Director of the Department of Human Resources Management, and the Director,				
21	Department of Planning and Budget, no later than October 15, 2023.				
22	403. Not set out.				
23	404. Not set out.				
24	Total for Department of Corrections.....			<b>\$1,489,188,334</b>	<b><del>\$1,501,416,013</del></b>
25					<b>\$1,506,748,601</b>
26	General Fund Positions.....	12,907.00	13,105.00		
27	Nongeneral Fund Positions.....	238.50	233.50		
28	Position Level.....	13,145.50	13,338.50		
29	Fund Sources: General.....	\$1,420,568,778	<del>\$1,432,796,457</del>		
30			<del>\$1,438,129,045</del>		
31	Special.....	\$63,937,601	\$63,937,601		
32	Dedicated Special Revenue.....	\$2,850,637	\$2,850,637		
33	Federal Trust.....	\$1,831,318	\$1,831,318		
34	405. Not set out.				
35	406. Not set out.				
36	407. Not set out.				
37	408. Not set out.				
38	409. Not set out.				
39	410. Not set out.				
40	411. Not set out.				
41	412. Not set out.				
42	413. Not set out.				
43	414. Not set out.				

ITEM 415.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	415.	Not set out.				
2	416.	Not set out.				
3	417.	Not set out.				
4	418.	Not set out.				
5	419.	Not set out.				
6	420.	Not set out.				
7	421.	Not set out.				
8	422.	Not set out.				
9	423.	Not set out.				
10	424.	Not set out.				
11	425.	Not set out.				
12	426.	Not set out.				
13	427.	Not set out.				
14	428.	Not set out.				
15	429.	Not set out.				
16	430.	Not set out.				
17	431.	Not set out.				
18	432.	Not set out.				
19	433.	Not set out.				
20	TOTAL FOR OFFICE OF PUBLIC SAFETY AND					
21	HOMELAND SECURITY.....				\$3,875,692,814	\$3,985,607,141
22						\$3,990,439,729
23	General Fund Positions.....		18,335.10	18,578.10		
24	Nongeneral Fund Positions.....		2,612.90	2,657.90		
25	Position Level.....		20,948.00	21,236.00		
26	Fund Sources: General.....		\$2,445,757,226	\$2,501,146,043		
27				\$2,505,978,631		
28	Special.....		\$185,536,186	\$185,551,588		
29	Commonwealth Transportation.....		\$10,538,520	\$10,538,520		
30	Enterprise.....		\$1,011,463,193	\$1,065,973,301		
31	Trust and Agency.....		\$4,298,130	\$4,298,130		
32	Dedicated Special Revenue.....		\$58,624,033	\$58,624,033		
33	Federal Trust.....		\$159,475,526	\$159,475,526		

ITEM 434.	Item Details(\$)		Appropriations(\$)	
	First Year	Second Year	First Year	Second Year
	FY2023	FY2024	FY2023	FY2024
<b>1</b>	<b>OFFICE OF TRANSPORTATION</b>			
<b>2</b>	434.	Not set out.		
<b>3</b>	435.	Not set out.		
<b>4</b>	436.	Not set out.		
<b>5</b>	437.	Not set out.		
<b>6</b>	438.	Not set out.		
<b>7</b>	439.	Not set out.		
<b>8</b>	440.	Not set out.		
<b>9</b>	441.	Not set out.		
<b>10</b>	442.	Not set out.		
<b>11</b>	443.	Not set out.		
<b>12</b>	444.	Not set out.		
<b>13</b>	445.	Not set out.		
<b>14</b>	446.	Not set out.		
<b>15</b>	447.	Not set out.		
<b>16</b>	448.	Not set out.		
<b>17</b>	449.	Not set out.		
<b>18</b>	450.	Not set out.		
<b>19</b>	451.	Not set out.		
<b>20</b>	452.	Not set out.		
<b>21</b>	453.	Not set out.		
<b>22</b>	454.	Not set out.		
<b>23</b>	455.	Not set out.		
<b>24</b>	456.	Not set out.		
<b>25</b>	457.	Not set out.		
<b>26</b>	458.	Not set out.		
<b>27</b>	459.	Not set out.		
<b>28</b>	460.	Not set out.		

ITEM 460.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	461.	Not set out.				
2	462.	Not set out.				
3	463.	Not set out.				
4	464.	Not set out.				
5	465.	Not set out.				
6	466.	Not set out.				
7	TOTAL FOR OFFICE OF TRANSPORTATION.....				\$10,998,522,561	\$11,310,519,957
8	Nongeneral Fund Positions.....		10,373.00	10,373.00		
9	Position Level.....		10,373.00	10,373.00		
10	Fund Sources: General.....		\$51,534,246	\$260,030,246		
11	Special.....		\$207,114,697	\$218,514,697		
12	Commonwealth Transportation.....		\$8,581,326,306	\$8,384,407,869		
13	Trust and Agency.....		\$772,526,442	\$790,281,207		
14	Dedicated Special Revenue.....		\$1,333,761,820	\$1,605,354,289		
15	Federal Trust.....		\$52,259,050	\$51,931,649		

ITEM 467.	Item Details(\$)		Appropriations(\$)	
	First Year	Second Year	First Year	Second Year
	FY2023	FY2024	FY2023	FY2024
<b>1</b>	<b>OFFICE OF VETERANS AND DEFENSE AFFAIRS</b>			
<b>2</b>	467.	Not set out.		
<b>3</b>	468.	Not set out.		
<b>4</b>	469.	Not set out.		
<b>5</b>	470.	Not set out.		
<b>6</b>	471.	Not set out.		
<b>7</b>	472.	Not set out.		
<b>8</b>	473.	Not set out.		
<b>9</b>	474.	Not set out.		
<b>10</b>	<b>§ 1-18. DEPARTMENT OF MILITARY AFFAIRS (123)</b>			
<b>11</b>	475.	Not set out.		
<b>12</b>	476.	Not set out.		
<b>13</b>	477.	Not set out.		
<b>14</b>	478.	Not set out.		
<b>15</b>	479.	Administrative and Support Services (79900).....	\$10,231,113	<del>\$9,645,113</del>
<b>16</b>				\$9,966,587
<b>17</b>		General Management and Direction (79901).....		
<b>18</b>			\$7,294,381	<del>\$6,708,381</del>
<b>19</b>				\$7,029,855
<b>20</b>		Telecommunications (79930).....	\$2,936,732	\$2,936,732
<b>21</b>		Fund Sources: General.....	\$5,818,619	<del>\$5,232,619</del>
<b>22</b>				\$5,554,093
<b>23</b>		Dedicated Special Revenue.....	\$1,037,191	\$1,037,191
<b>24</b>		Federal Trust.....	\$3,375,303	\$3,375,303
<b>25</b>	Authority: Title 44, Chapters 1 and 2, Code of Virginia.			
<b>26</b>	A. The Department of Military Affairs shall advise and provide assistance to the			
<b>27</b>	Department of Accounts in administering the \$20,000 death benefit provided for certain			
<b>28</b>	members of the National Guard and United States military reserves killed in action in any			
<b>29</b>	armed conflict as of October 7, 2001, pursuant to § 44-93.1.B., Code of Virginia.			
<b>30</b>	B. Included in this appropriation is \$666,000 the first year and \$80,000 the second year			
<b>31</b>	from the general fund to replace and maintain communication equipment for emergency			
<b>32</b>	operations.			
<b>33</b>	C. Included in this appropriation is \$50,000 the first year and \$50,000 the second year			
<b>34</b>	from the general fund for a Referral Enlistment Program to qualifying individuals for the			
<b>35</b>	referral of applicants for service in the Virginia National Guard which result in enlistment.			
<b>36</b>	D. Included in this appropriation is \$150,000 the first year and \$150,000 the second year			
<b>37</b>	from the general fund for the agency's National Guard Cyber Brigade to conduct cyber			
<b>38</b>	security audits of local governments and state agencies.			
<b>39</b>	Total for Department of Military Affairs.....		<b>\$81,040,511</b>	<del><b>\$80,454,511</b></del>
				<b>\$80,775,985</b>

ITEM 479.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	General Fund Positions.....	86.47	86.47		
2	Nongeneral Fund Positions.....	316.03	316.03		
3	Position Level.....	402.50	402.50		
4	Fund Sources: General.....	\$14,283,434	<del>\$13,697,434</del>		
5			<del>\$14,018,908</del>		
6	Special.....	\$1,784,927	\$1,784,927		
7	Dedicated Special Revenue.....	\$4,216,050	\$4,216,050		
8	Federal Trust.....	\$60,756,100	\$60,756,100		
9	TOTAL FOR OFFICE OF VETERANS AND				
10	DEFENSE AFFAIRS.....			\$230,244,411	<del>\$224,472,379</del>
11					\$224,793,853
12	General Fund Positions.....	364.47	364.47		
13	Nongeneral Fund Positions.....	1,428.03	1,428.03		
14	Position Level.....	1,792.50	1,792.50		
15	Fund Sources: General.....	\$58,489,674	<del>\$52,717,642</del>		
16			<del>\$53,039,116</del>		
17	Special.....	\$49,719,423	\$49,719,423		
18	Trust and Agency.....	\$2,474,892	\$2,474,892		
19	Dedicated Special Revenue.....	\$5,809,050	\$5,809,050		
20	Federal Trust.....	\$113,751,372	\$113,751,372		

ITEM 480.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	<b>CENTRAL APPROPRIATIONS</b>				
2	<b>§ 1-19. CENTRAL APPROPRIATIONS (995)</b>				
3	480.	Higher Education Academic, Fiscal, and Facility			
4		Planning and Coordination (11100).....		\$10,756,833	\$10,756,833
5					\$22,624,641
6		Interest Earned on Educational and General			
7		Programs Revenue (11106).....	\$10,756,833	<del>\$10,756,833</del>	
8					<del>\$22,624,641</del>
9		Fund Sources: General.....	\$7,231,017	<del>\$7,231,017</del>	
10				<del>\$10,467,019</del>	
11		Higher Education Operating.....	\$3,525,816	<del>\$3,525,816</del>	
12					<del>\$12,157,622</del>
13	A. The standards upon which the public institutions of higher education are deemed				
14	certified to receive the payment of interest earnings from the tuition and fees and other				
15	nongeneral fund Educational and General revenues shall be based upon the standards				
16	provided in § 4-9.01 of this act, as approved by the General Assembly.				
17	B. The estimated interest earnings and other revenues shall be distributed to those specific				
18	public institutions of higher education that have been certified by the State Council of				
19	Higher Education for Virginia as having met the standards provided in § 4-9.01 of this act,				
20	based on the distribution methodology developed pursuant to Chapter 933, Enactment 2,				
21	Acts of Assembly of 2005 and reported to the Chairmen of the House Appropriations				
22	Committee and Senate Finance and Appropriations Committee.				
23	C. In accordance with § 23.1-1002, Code of Virginia, this Item provides \$4,573,395 the				
24	first year and <del>\$4,573,395</del> \$7,906,831 the second year from the general fund, and				
25	\$3,525,816 from nongeneral funds in the first year and <del>\$3,525,816</del> \$12,157,622 from				
26	nongeneral funds in the second year for the estimated total payment to individual				
27	institutions of higher education of the interest earned on tuition and fees and other				
28	nongeneral fund Education and General Revenues deposited to the state treasury. Upon				
29	certification by the State Council of Higher Education of Virginia that all available				
30	performance benchmarks have been successfully achieved by the individual institutions of				
31	higher education, the Director, Department of Planning and Budget, shall transfer the				
32	appropriation in this Item for such estimated interest earnings to the general fund				
33	appropriation of each institution's Educational and General program.				
34	D. This Item also includes \$2,657,622 in the first year and <del>\$2,657,622</del> \$2,560,188 the				
35	second year from the general fund for the payment to individual institutions of higher				
36	education of a pro rata amount of the rebate paid to the State Commonwealth on credit				
37	card purchases not exceeding \$5,000 during the previous fiscal year. The State				
38	Comptroller shall determine the amount owed to each certified institution, net of any				
39	payments due to the federal government, using a methodology that equates a pro rata share				
40	based upon the total transactions of \$5,000 or less made by the institution using the state-				
41	approved credit card in comparison to all transactions of \$5,000 or less using said				
42	approved credit card. By October 15, or as soon thereafter as deemed appropriate,				
43	following the year of certification, the Comptroller shall reimburse each institution its				
44	estimated pro rata share.				
45	E. Once actual financial data from the year of certification are available, the State				
46	Comptroller and the Director, Department of Planning and Budget, shall compare the				
47	actual data with estimates used to determine the distribution of the interest earnings,				
48	nongeneral fund Educational and General revenues, and the pro rata amounts to the				
49	certified institutions of higher education. In those cases where variances exist, the				
50	Governor shall include in his next introduced budget bill recommended appropriations to				
51	make whatever adjustments to each institution's distributed amount to ensure that each				
52	institution's incentive payments are accurate based on actual financial data.				
53	481.	Not set out.			

ITEM 482.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	482.	Not set out.				
2	483.	Not set out.				
3	484.	Not set out.				
4	485.	Not set out.				
5	486.	Disaster Planning and Operations (72200).....			\$1,053,644,384	<del>\$163,294,602</del>
6						\$163,304,910
7		Pandemic Response (72211).....	\$1,053,644,384	<del>\$163,294,602</del>		
8				\$163,304,910		
9		Fund Sources: Federal Trust.....	\$1,053,644,384	<del>\$163,294,602</del>		
10				\$163,304,910		
11	A.1. The appropriation for this Item includes an amount estimated at \$902,022,198 in the first					
12	year and <del>\$201,931,214</del> \$201,941,522 in the second year from the revenues to be received					
13	from distributions of the federal State and Local Recovery Fund (SLRF) pursuant to the					
14	American Rescue Plan Act of 2021 (ARPA).					
15	2. The following appropriations shall be transferred from this Item for the following purposes:					
16	a. Unemployment Assistance					
17	1) \$17,600,000 in the first year and \$1,734,000 in the second year to the Virginia					
18	Employment Commission (182) for the continuation of funding for information technology					
19	modernization, call center improvements, security, and claims adjudication. Information					
20	technology improvements shall include a customer relationship management system and other					
21	such communication tools to better serve Unemployment Insurance clients.					
22	2) \$10,639,456 in the second year to the Virginia Employment Commission (182) to support					
23	current appeals staffing loads.					
24	b. Broadband					
25	1) \$750,000 in the first year to the Department of General Services (194) for the continuation					
26	of funding for legal and real estate transaction support for agencies that own property to					
27	support broadband expansion.					
28	2) \$8,000,000 in the first year to the Department of Housing and Community Development					
29	(165) for the continuation of funding for a Line Extension Customer Assistance Program to					
30	support the extension of existing broadband networks to low-to-moderate income residents.					
31	c. Dairy Industry Support					
32	1) \$2,000,000 in the first year to the Department of Agriculture and Consumer Services (301)					
33	to provide dairy industry support to mitigate pandemic losses.					
34	2) \$1,000,000 in the first year to the Department of Agriculture and Consumer Services (301)					
35	to support the business operations of 4-H Educational Centers across the Commonwealth.					
36	d. Other small business					
37	1) \$27,600,000 in the first year to the Department of Housing and Community Development					
38	(165) for the continuation of funding to support the Virginia Removal or Rehabilitation of					
39	Derelict Structures Fund program. Notwithstanding § 36-155, Code of Virginia, for the					
40	purposes of this funding, the maximum grant amount shall be \$5,000,000 for projects in					
41	economically distressed areas, and any grant award in excess of \$1,000,000 for projects in					
42	economically distressed areas shall be conditioned upon a 100 percent match of local and/or					
43	private funds by the local government. The funds shall be managed and awarded through the					
44	Industrial Revitalization Fund process; however, the department may adjust the criteria to					
45	reflect the provisions established by the U.S. Department of the Treasury's rules and					
46	regulations regarding the Coronavirus State and Local Fiscal Recovery Funds established					
47	under the American Rescue Plan Act. Pursuant to these provisions, DHCD shall increase					
48	project cap amounts and consider updates to program guidelines that make more projects					



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		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	viable, especially in communities disproportionately impacted by the pandemic. Where				
2	the proposed project's end user is a private business, DHCD shall include evaluation				
3	criteria that incentivizes significant private investment. Included in these amounts				
4	\$1,700,000 is hereby directed to an eligible grantee for a community revitalization project.				
5	An eligible grantee for the purposes of this paragraph is a locality in the Crater Planning				
6	District Commission awarded a grant during the 2022 Industrial Revitalization Fund grant				
7	round, announced in October of 2021. As a condition of the release of these funds, the				
8	eligible grantee must enter into a Memorandum of Understanding (MOU) with the				
9	Department of Housing and Community Development that guarantees a lien against the				
10	property equivalent to the total amount of state grants and awards used to demolish or				
11	renovate the structures associated with this project and further testify to its legal authority				
12	to demolish or renovate the structures associated with the project.				
13	2) \$4,000,000 in the first year and \$750,000 in the second year to the Department of				
14	Housing and Community Development (165) to support the Virginia Main Street program				
15	in providing assistance to businesses recovering from the COVID-19 pandemic. The				
16	second year amounts provided in this paragraph shall be used to support special initiatives				
17	in a locality in the Crater Planning District Commission.				
18	3) \$250,000 in the second year to the Department of Housing and Community				
19	Development (165) for an award to an eligible grantee for a community revitalization				
20	project. An eligible grantee for the purposes of this paragraph is a locality in the Crater				
21	Planning District Commission awarded a grant during the 2022 Industrial Revitalization				
22	Fund grant round, announced in October of 2021. Such funds may be expended to offset				
23	the acquisition cost of a property due for demolition previously purchased by the eligible				
24	grantee. The project must be in compliance with the provisions established by the U.S.				
25	Department of the Treasury's rules and regulations regarding the Coronavirus State and				
26	Local Fiscal Recovery Funds established under the American Rescue Plan Act.				
27	e. Food Access				
28	1) \$11,000,000 in the first year to the Department of Agriculture and Consumer Services				
29	(301) for the continuation of the Virginia Agriculture Food Assistance Program				
30	established in § 3.2-4783, Code of Virginia, and to expand the capacity of Virginia's				
31	network of food providers to accept, store, and distribute food products.				
32	2) \$3,500,000 in the first year to the Department of Social Services (765) for the Virginia				
33	Federation of Food Banks for the purchase of food to be distributed through food banks				
34	across the Commonwealth.				
35	f. Drinking Water, Wastewater, and CSOs				
36	1) \$1,600,000 in the first year and \$4,150,000 in the second year to the Department of				
37	Health (601) for the continuation of funding to provide improvement funds for well and				
38	septic systems for homeowners at or below 200 percent of the federal poverty guidelines.				
39	2) \$165,000,000 in the first year to the Department of Environmental Quality (440) for				
40	additional grants to the City of Alexandria, Virginia Sanitation Authority and the cities of				
41	Lynchburg and Richmond to pay a portion of the costs of combined sewer overflow				
42	control projects. The City of Alexandria, Virginia Sanitation Authority is to receive				
43	\$40,000,000; the City of Lynchburg is to receive \$25,000,000; and the City of Richmond				
44	is to receive \$100,000,000.				
45	3) \$75,900,000 in the first year to the Department of Environmental Quality (440) for				
46	grants to the City of Fredericksburg and King George County Service Authority for				
47	wastewater projects; to the Towns of Wachapreague, Accomac, Parksley, and Exmore for				
48	sewer projects; to the Town of Quantico for water and sewer improvements; and to the				
49	City of Falls Church for stormwater improvements. The City of Fredericksburg is to				
50	receive \$27,000,000; the King George County Service Authority is to receive				
51	\$16,000,000; the Town of Wachapreague is to receive \$2,400,000; the Town of Exmore is				
52	to receive \$3,500,000; the Town of Accomac is to receive \$4,500,000; the Town of				
53	Parksley is to receive \$1,500,000; the Town of Quantico is to receive \$17,000,000; and				
54	the City of Falls Church is to receive \$4,000,000.				

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1	4) \$25,000,000 in the first year and \$25,000,000 in the second year to the Department of				
2	Health (601) for the continuation of funding to support equal access to drinking water at small				
3	and disadvantaged community waterworks. These funds shall be limited in their use to				
4	qualifying municipal and private drinking water projects and shall not be used for				
5	improvements to the department's internal systems or processes.				
6	5) \$5,700,000 in the first year to the Department of Environmental Quality (440) for grants to				
7	the Town of Colonial Beach for water and sewer improvements.				
8	6) \$29,551,500 in the first year and \$5,000,000 in the second year to the Department of				
9	Environmental Quality (440) for grants to the City of Petersburg for water and wastewater				
10	upgrades at Poor Creek Pump Station.				
11	7) \$10,000,000 in the first year to the Department of Conservation and Recreation (199) for				
12	improvements to identified high hazard water impounding structures consistent with the				
13	provisions of the Dam Safety, Flood Prevention, and Protection Assistance Fund established				
14	pursuant to § <a href="#">10.1-603.17</a> , Code of Virginia.				
15	8) \$150,000 in the first year to the Department of Health (601) for the Town of Goshen for				
16	repairs to their water storage tank.				
17	9) \$325,000 the first year to the Department of Environmental Quality (440) for a grant to the				
18	Town of Occoquan for outfall sediment removal projects and for stormwater dredging				
19	activities.				
20	10) \$3,000,000 the first year to the Department of Environmental Quality (440) for a grant to				
21	the Town of Dumfries to support Municipal Separate Storm Sewer System permit activities.				
22	11) \$3,000,000 the first year to the Department of Environmental Quality (440) for a grant to				
23	the County of Prince William to assist with the connection of Bristow Manor to the Prince				
24	William County wastewater collection system.				
25	12) a) \$71,055,032 in the second year to the Department of Environmental Quality (440) to				
26	reimburse eligible entities for costs incurred for implementation of the Enhanced Nutrient				
27	Removal Certainty Program, as provided for in § <a href="#">62.1-44.19:14</a> , Code of Virginia.				
28	b) Funds authorized in paragraph B.2.k.4), Item 479.20 of Chapter 1, 2021 Acts of Assembly,				
29	Special Session I, may be used to reimburse eligible entities for costs incurred for				
30	implementation of the Enhanced Nutrient Removal Certainty Program, as provided for in §				
31	<a href="#">62.1-44.19:14</a> , Code of Virginia.				
32	g. Mental Health				
33	1) \$45,719,411 in the first year to Mental Health Treatment Centers (792) for salary				
34	adjustments for direct care staff at state behavioral health facilities and intellectual disability				
35	training centers.				
36	2) \$700,000 in the first year to Mental Health Treatment Centers (792) to expand Telehealth				
37	Capability at DBHDS State Facilities.				
38	3) \$6,695,369 in the first year to Intellectual Disabilities Training Centers (793) for salary				
39	adjustments for direct care staff at state behavioral health facilities and intellectual disability				
40	training centers.				
41	4) \$5,370,806 in the first year to the Virginia Center for Behavioral Rehabilitation (794) for				
42	salary adjustments for direct care staff at state behavioral health facilities and intellectual				
43	disability training centers.				
44	5) \$20,000,000 in the first year to Grants to Localities (790) for the continued expansion of				
45	community-based crisis services.				
46	6) \$1,200,000 in the first year to the Department of Behavioral Health and Developmental				
47	Services (720) for the continuation of funding for the purchase of personal protective				
48	equipment at state facilities.				
49	7) \$1,650,000 in the first year to the Department of Behavioral Health and Developmental				

ITEM 486.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Services (720) for the continuation of funding to continue an expanded pilot program in				
2	FY 2023 to serve approximately 60 additional individuals with a primary diagnosis of				
3	dementia who are ready for discharge from state geriatric behavioral health hospitals to				
4	the community and who are in need of nursing facility level care. Funding for the pilot				
5	program shall be dependent upon an agreement between the department and the				
6	Community Services Board in the jurisdiction the pilot program is located.				
7	8) \$1,500,000 in the first year to the Department of Criminal Justice Services (140) for the				
8	continuation of funding to provide resources for crisis intervention team training to law-				
9	enforcement officers and dispatchers, and one position to provide technical assistance in				
10	support of the mental health awareness response and community understanding services				
11	(Marcus) alert system.				
12	9) \$22,245,501 in the first year to Grants to Localities (790) for the continued support of				
13	STEP-VA community-based mental health services.				
14	h. Substance Use Disorder				
15	1) \$2,000,000 in the first year and \$3,000,000 in the second year to the Department of				
16	Health (601) for the continuation of funding for substance misuse and suicide prevention				
17	efforts.				
18	2) \$5,000,000 in the first year to Grants to Localities (790) for the continuation of funding				
19	to expand community-based substance use disorder treatment services.				
20	3) \$250,000 in the first year to the Department of Health (601) to contract with the				
21	Carilion Clinic for a pilot program to study, operationalize, determine barriers, and report				
22	on Opioid Education and Naloxone Distribution in the emergency department (ED) to				
23	high-risk opioid use disorder and opioid overdose patients who present in the ED.				
24	i. Public Health Initiatives				
25	1) \$2,378,000 in the first year and <del>\$2,375,000</del> \$2,017,316 in the second year to the				
26	Department of General Services (194) for the continuation of funding to include customer				
27	support upgrades and Laboratory Information Management System (LIMS) infrastructure,				
28	development, and improvement.				
29	2) \$3,750,000 in the first year to the Department of Housing and Community				
30	Development (165) for the continuation of funding for a dedicated lead rehabilitation				
31	program to address childhood lead poisoning in residential properties.				
32	3) \$10,000,000 in the first year and \$10,000,000 in the second year to the Department of				
33	Health (601) for the continuation of funding for the procurement and deployment of an				
34	electronic health records system.				
35	4) \$15,000,000 in the first year and \$25,000,000 in the second year to the Department of				
36	Health (601) for the continuation of funding for the <del>modernization of administrative</del>				
37	<del>systems and software in order to create response capacity during future emergencies</del>				
38	<del>procurement and deployment of administrative systems and software.</del>				
39	5) \$10,000,000 in the first year and \$10,000,000 in the second year to the Department of				
40	Health (601) for the continuation of funding for a records management system that will				
41	digitize and automate records processes.				
42	6) \$5,000,000 in the first year to the Department of Health (601) to contract with the				
43	Virginia Association of Free and Charitable Clinics for pandemic-related costs incurred by				
44	free and charitable clinics in Virginia.				
45	7) \$5,000,000 in the first year to the Department of Medical Assistance Services (602) for				
46	the continuation of funding to address operational backlogs by hiring contractors to assist				
47	with eligibility re-evaluations and member appeals. Funding may be used to perform				
48	COVID-19 related outreach and engagement activities, make information technology				
49	system changes, and to support overtime costs at local departments of social services.				
50	8) \$5,000,000 in the first year to the Department of Social Services (765) to upgrade				
51	mission critical network infrastructure.				

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		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	9) \$1,587,200 in the first year and <del>\$1,892,500</del> \$1,196,500 in the second year to the				
2	Department for Aging and Rehabilitative Services (262) for the continuation of funding fund				
3	HVAC/air quality systems and physical plant improvements in assisted living facilities that				
4	serve a disproportionate share of auxiliary grant residents.				
5	10) \$34,000,000 the first year to the Department of Medical Assistance Services to make				
6	payments to Virginia hospitals for COVID-19 related auditable costs including vaccine clinic				
7	and additional workforce expenses that have not been reimbursed through other federal relief				
8	programs available for this purpose.				
9	11) \$7,175,000 the first year to the Eastern Virginia Medical School for HVAC renovations at				
10	Lewis Hall.				
11	12) \$9,718,539 in the first year to the Department of Medical Assistance Services (602) to				
12	reimburse local government-owned nursing homes for unreimbursed expenses and lost				
13	revenue due to the impact of COVID-19.				
14	j. Addressing Community Violence				
15	1) \$75,000 in the first year to the Department of State Police (156) for the continuation of				
16	funding for the purchase of equipment used to analyze firearms evidence.				
17	2) \$6,000,000 the first year and \$3,000,000 the second year to the Department of Criminal				
18	Justice Services (140) to support services to victims of crime including, but not limited to,				
19	services for victims of sexual assault and domestic violence. The department shall use these				
20	funds to support sexual assault and domestic violence applicants of the Victims Services				
21	Grant Program to include at least \$190,000 in nongeneral funds the second year for the				
22	contract with the Virginia Sexual and Domestic Violence Action Alliance for the management				
23	and operation of statewide crisis services to survivors of sexual and domestic violence				
24	through a designated confidential hotline that includes a virtual platform and is linked to the				
25	network of local sexual and domestic violence service providers.				
26	3) \$200,000 in the first year to the Department of Criminal Justice Services (140) for a one-				
27	time appropriation to the City of Chesapeake for the purchase of equipment used to analyze				
28	firearms evidence.				
29	k. Public Safety				
30	1) \$532,086 in the first year and <del>\$532,086 in the second year</del> to the Department of				
31	Corrections (799) for the continuation of funding for five staff positions to support COVID-19				
32	project management activities.				
33	2) \$45,000 in the first year and \$45,000 in the second year to the Department of Corrections				
34	(799) for the continuation of funding to reimburse the contractor that operates the				
35	Lawrenceville Correctional Center for the cost of personal protective equipment (PPE).				
36	3) \$3,055,000 in the first year to the Department of Corrections (799) to expand video				
37	visitation in correctional facilities.				
38	4) \$418,121 in the first year to the Department of Emergency Management (127) for the				
39	continuation of funding for Virginia Emergency Support Team (VEST) COVID-19 recovery				
40	activities and four support staff.				
41	5) \$600,000 in the first year to the Department of Juvenile Justice (777) for the continuation				
42	of funding for mobile smartphones for agency staff.				
43	6) \$1,380,000 in the first year to the Department of State Police (156) for the continuation of				
44	funding to support live scan fingerprinting machines for the agency's area offices.				
45	7) \$75,000,000 in the first year to the Department of Criminal Justice Services (140) to make				
46	one-time grants to state and local law enforcement agencies located in the Commonwealth,				
47	including colleges and universities, local and regional jails for the purpose of training and				
48	purchasing equipment and supplies to support law enforcement related activities, excluding				
49	equipment for which one-time equipment grants were appropriated from the general fund in				
50	Item 406, Chapter 552, 2021 Acts of Assembly. Of the amount provided, no less than				

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1	\$60,000,000 shall be provided for the support of local law enforcement agencies. Of the				
2	amount provided, the Director, Department of Criminal Justice Services, is authorized to				
3	recover reasonable, one-time costs related to administering this grant program. Any				
4	distribution made to a local law enforcement agency shall not require a local match. The				
5	Department shall report on the distributions made to the Governor, the Chairs of the				
6	House Appropriations and the Senate Finance and Appropriations Committees, and the				
7	Secretary of Finance by November 1, 2023.				
8	8) \$8,820,000 in the first year to the Department of Corrections (799) for air conditioning				
9	installation and associated costs in correctional facilities.				
10	l. Health Care Safety Net				
11	1) \$38,057,684 in the first year to the Department of Medical Assistance Services (602) to				
12	continue a 12.5 percent increase in rates for certain Medicaid home and community-based				
13	services that was implemented in fiscal year 2022 and is set out Item 304.				
14	m. ARPA Reporting				
15	1) \$500,000 in the first year and \$1,600,000 in the second year to the Department of				
16	Accounts (151) for the cost of supporting ARPA reporting requirements.				
17	2) \$600,000 in the first year for the Secretary of Finance to engage internal or third-party				
18	assistance for additional administrative oversight of executive branch agency Coronavirus				
19	State and Local Fiscal Recovery Fund expenditures.				
20	n. Education and Workforce				
21	1) \$3,500,000 in the first year to Direct Aid to Public Education (197) to support a one-				
22	time grant to the United Way of Southwest of Virginia to increase childcare capacity in				
23	southwest Virginia.				
24	2) \$4,000,000 in the first year to Direct Aid to Public Education (197) to supplement the				
25	21st Century Community Learning Centers Program in Item 138. These funds shall be				
26	awarded to community-based organizations partnering with school divisions for after-				
27	school, before-school, and summer learning programs to provide additional instructional				
28	opportunities to combat learning loss for school-age children attending high-poverty, low-				
29	performing schools. The Department may contract with the Virginia Partnership for Out-				
30	of-School Time to assist applicants with obtaining the required licensure and to provide				
31	best practices and support to grantees.				
32	3) \$10,000,000 the first year shall be transferred to Direct Aid to Public Education (197)				
33	to support recruitment efforts through incentive payments to individuals hired to fill				
34	instructional positions between August 15, 2022, and November 30, 2022. Local school				
35	divisions desiring to participate in this program shall report to the Department of				
36	Education the number of instructional position vacancies on August 15, 2022, no later				
37	than August 31, 2022. The Department of Education shall report the August 15, 2022				
38	instructional vacancy data to the Secretary of Education and the General Assembly by				
39	October 1, 2022. Based on this information, the Department shall communicate to each				
40	school division its available allocation from these funds, and school divisions shall				
41	communicate the availability of these funds in their recruitment. Such payments shall be				
42	based on \$2,500 per individual; however, for individuals hired in hard-to-fill positions or				
43	hard-to-staff schools, as defined by the Department of Education, the incentive payment				
44	shall be based on \$5,000 per individual. The Department of Education and the school				
45	divisions are authorized to prorate these amounts if the demand exceeds the initial				
46	allocation. School divisions shall (i) provide half of the incentive payment to the				
47	individual no earlier than January 1, 2023, and (ii) provide the balance of the full amount				
48	of the incentive payment to the individual no earlier than May 1, 2023, provided that the				
49	individual receives a satisfactory performance evaluation and provides a written				
50	commitment to return to the same school in the 2023-2024 school year. Individuals who				
51	are employed by a local school division in Virginia as of July 1, 2022, who accept an				
52	otherwise qualifying position in another local school division are not eligible for this				
53	incentive. Individuals employed by a local school division as of July 1, 2022, who transfer				
54	from a non-hard-to-staff school to a hard-to-staff school, as defined by the Department of				

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1	Education, within the same division are eligible for the \$5,000 incentive payment. School				
2	divisions shall report to the Department of Education, in a format specified by the				
3	Department, all instructional hires in the 2022-2023 school year who qualify for this incentive				
4	payment, no later than November 30, 2022. No later than January 5, 2023, the Department of				
5	Education shall report to the House Appropriations Committee and the Senate Finance and				
6	Appropriations Committee on the number of hires reported by each school division				
7	participating in this program and the anticipated amount of funding to be provided to each				
8	school division for payment to those individuals.				
9	4) \$3,500,000 in the first year to the Department of Education, Central Office Operations				
10	(201), for the provision of a contract to assist public school divisions with outreach and				
11	support for disengaged, chronically absent, or struggling students in response to the COVID-				
12	19 pandemic. The statewide program shall be contracted with a provider that has experience				
13	in providing state-wide attendance recovery to at-risk students and can scale to provide multi-				
14	modal outreach and academic coaching support to over 15,000 students by the end of calendar				
15	year 2023.				
16	5) \$5,138,000 in the second year to the Department of Education (201) to support the				
17	provision of a statewide Learning Management System to all local public school divisions in				
18	Virginia.				
19	6) \$5,000,000 in the second year to the Department of Education (201) for continued support				
20	of the through-year growth assessment system for grades three through eight, pursuant to the				
21	provisions of Chapter 443 and Chapter 444, 2021 Special Session I.				
22	7) \$130,122,981 to Direct Aid to Public Education (197) to provide a one-time pandemic				
23	bonus payment of \$1,000 on December 1, 2022, for funded SOQ instructional and support				
24	positions and for Academic Year Governor's School and Regional Alternative Education				
25	Program instructional and support positions, as a provision of government services pursuant				
26	to the State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021.				
27	These funds cover the entire cost of the \$1,000 bonus for funded SOQ instructional and				
28	support positions and Academic Year Governor's School and Regional Alternative Education				
29	Program instructional and support positions. The funds for which a division is eligible to				
30	receive shall require no match by the local government. Localities are encouraged to use				
31	additional available funds to provide pandemic bonuses to other eligible school instructional				
32	and support positions.				
33	8) \$5,000,000 in the second year to the Virginia Department of Health (601) to establish the				
34	Earn to Learn Nursing Education Acceleration program. The department shall establish				
35	criteria for making grants from the program, including application guidelines and metrics for				
36	evaluation. Grants shall be awarded for the purpose of forming collaborative clinical training				
37	arrangements between high schools, colleges and universities, hospitals, and health providers,				
38	increasing the number of nursing students receiving necessary clinical training to achieve				
39	certification, and creating and ensuring employment opportunities for nursing students. To be				
40	eligible for grants, applicants must provide employment opportunities to students at each				
41	student's current certification level with compensation consistent with other employees at				
42	identical certification levels, and must demonstrate that the grant application will increase on				
43	a net basis the number of nursing graduates achieving sufficient clinical hours to achieve				
44	higher nursing certifications when compared to averages over the past five years.				
45	9) \$2,770,140 in the second year to the Virginia Community College System (260) for the				
46	development of a Commercial Driver's License (CDL) Training Program and Driving Range				
47	at Blue Ridge Community College.				
48	10) \$8,000,000 in the second year to Direct Aid to Public Education (197) for school security				
49	grants as authorized in Item 138.10.				
50	<i>o. Other SLFRF projects</i>				
51	<i>1) \$38,996,516 in the second year to the Department of Education (201) to be used to</i>				
52	<i>supplement funding for the Child Care Subsidy Program.</i>				
53	<b>3.a. Prior to initiating any program, service, or spending from the appropriations listed in</b>				
54	<b>paragraph 2: above, the responsible agency must ensure that its intended action qualifies for</b>				

ITEM 486.	Item Details(\$)		Appropriations(\$)	
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1	the use of the funds under the ARPA criteria to support health expenditures; to address			
2	negative economic impacts caused by the public health emergency; to provide premium			
3	pay for essential workers; or to invest in water, sewer, and broadband infrastructure as			
4	described in the Interim Final Rule or the guidance issued by the U.S. Department of			
5	Treasury. Agencies shall not rely on the provisions for replacing lost public sector revenue			
6	as a qualifying criteria without receiving prior written approval from the Governor.			
7	b.3. Agencies must ensure compliance with all use, documentation, and reporting			
8	requirements established in state and federal guidelines and laws.			
9	4. The Governor is authorized to appropriate additional amounts not listed above if they			
10	must be executed before the 2024 regular session of the General Assembly June 30, 2024			
11	to protect the public health in order to respond to a public health emergency or to prevent			
12	the emergence of a new health emergency. The Governor shall provide written notice to			
13	the chairpersons of the House Appropriations Committee and the Senate Finance and			
14	Appropriations Committee no less than five business days prior to appropriating such			
15	amounts.			
16	5. Amounts authorized for the projects identified below, as authorized and funded from			
17	State and Local Fiscal Recovery Funds in Chapter 1, 2022 Acts of Assembly, Special			
18	Session I, shall be reduced by the following estimated amounts. The Director, Department			
19	of Planning and Budget, shall transfer to this item such estimated amounts from the			
20	identified projects if funding has previously been distributed to the responsible agency.			
21	<b>Agency</b>	<b>Project</b>	<b>Item 479.20, Chapter 1</b>	<b>Amount</b>
22			<b>Authorization Reference</b>	
23	132: Department of Elections	Voter education	B.2.t	\$68,260
24	157: Compensation Board	Hazard pay for sworn officers	B.2.s	\$5,222,889
25	194: Department of General	Legal and real estate	B.2.b	\$500,000
26	Services	transaction support for		
27		agencies that own property to		
28		support broadband expansion		
29	350: Department of Small	RebuildVA	B.2.c	\$14,200,000
30	Business and Supplier			\$17,621,977
31	Diversity			
32	121: Office of the Governor	Contractor for language	B.2.q	\$201,000
33		access translation services		
34		planning		
35	720: Department of	Bonus payments for direct	B.2.n	\$17,453,721
36	Behavioral Health and	care staff		
37	Developmental Services			
38	720: Department of	Purchase personal protective	B.2.n	\$450,000
39	Behavioral Health and	equipment at state facilities		\$1,105,150
40	Developmental Services			
41	171: State Corporation	Utility assistance	B.2.e	\$2,807,970
42	Commission			\$3,236,467
43	165: Department of Housing	Utility assistance	B.2.e	\$15,735,172
44	and Community Development			\$18,242,808
45	777: Department of Juvenile	Facility improvements for	B.2.s	\$4,356
46	Justice	Central Infirmary		
47	777: Department of Juvenile	Large tents for outdoor	B.2.s	\$5,000
48	Justice	visitation		\$18,000
49	777: Department of Juvenile	Provide hazard pay for	B.2.s	\$126,140
50	Justice	Probation and Security staff		
51	777: Department of Juvenile	Vaccination clinic costs	B.2.s	\$10,000
52	Justice			
53	778: Department of Forensic	Add equipment for three (3)	B.2.r	\$59,159
54	Science	additional firearms forensic		
55		scientists		

ITEM 486.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	132: Department of Elections	Early voting/ Sunday voting support		B.2.t		\$2,851,548
2						
3	165: Department of Housing	Dedication Lead Rehabilitation		B.2.p		\$250,000
4	and Community Development	Program				
5	197: Direct Aid to Public	Address ventilation needs at		B.2.h		\$544,624
6	Education	local public school facilities				
7	197: Direct Aid to Public	Support tutoring and		B.2.g		\$12,417
8	Education	mentoring programs in Sussex				
9		County				
10	140: Department of Criminal	Community-based gun violence		B.2.r		\$500,000
11	Justice Services	reduction and youth and gang				
12		violence intervention grants				
13	777: Department of Juvenile	Software Purchases for		B.2.s		\$1,260
14	Justice	Medical Programs				
15	799: Department of	COVID Vaccination teams		B.2.s		\$214,500
16	Corrections					
17	799: Department of	Hazard pay for corrections and		B.2.s		\$5,533,308
18	Corrections	law enforcement staff				
19	799: Department of	Medical Contractors Market		B.2.s		\$1,086,000
20	Corrections	Rate Increase				
21	<b>TOTAL</b>					<b>\$56,843,667</b>
22						<b>\$74,863,584</b>

6. First year amounts authorized by this paragraph for the projects identified below shall be reduced by the following estimated amounts. The Director, Department of Planning and Budget, shall transfer to this Item such estimated amounts from the identified projects if funding has previously been distributed to the responsible agency.

Agency	Project	Item 486 Authorization Reference	Amount
194: Department of General Services	Legal and real estate transaction support for agencies that own property to support broadband expansion	A.2.b	\$750,000
194: Department of General Services	Customer support enhancements for the Division of Consolidated Laboratory Services (DCLS)	A.2.i	\$3,000
793: Intellectual Disabilities Training Centers	Increase compensation for direct care staff at state facilities	A.2.g	\$2,515,510 \$3,414,967
792: Mental Health Treatment Centers	Increase compensation for direct care staff at state facilities	A.2.g	\$19,297,694 \$31,579,354
794: Virginia Center for Behavioral Rehabilitation	Increase compensation for direct care staff at state facilities	A.2.g	\$1,770,175 \$2,605,835
720: Department of Behavioral Health and Developmental Services	Purchase personal protective equipment at state facilities	A.2.g	\$1,200,000
127: Virginia Department of Emergency Management	Virginia Emergency Support Team (VEST) COVID-19 recovery activities	A.2.k	\$418,121
165: Department of Housing and Community Development	Virginia Removal or Rehabilitation of Derelict Structures Fund	A.2.d	\$900,000
165: Department of Housing and Community Development	Line Extension Customer Assistance Program	A.2.b	\$6,000,000



ITEM 486.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	301: Department of	Dairy Industry Support		A.2.c		\$728,331
2	Agriculture and Consumer					
3	Services					
4	165: Department of Housing	Dedication lead		A.2.i		\$3,750,000
5	and Community Development	Rehabilitation Program				
6	190: Secretary of Finance	Funding for Administrative		A.2.m		\$25,000
7		Oversight				
8	720: Department of	Expand dementia program		A.2.g		\$777,145
9	Behavioral Health and	and residential treatment pilot				
10	Developmental Services					
11	799: Department of	COVID HR and Project		A.2.k		\$93,578
12	Corrections	Management				
13	<b>TOTAL</b>					<b>\$32,854,500</b>
14						<b>\$52,245,331</b>
15	B.1. The appropriation in this item includes an amount estimated at \$151,622,186 in the					
16	first year and \$51,061,555 in the second year from the estimated revenues to be received					
17	pursuant to the American Rescue Plan Act of 2021 (ARPA) from grants other than the					
18	State and Local Recovery Fund (SLRF). The following appropriations shall be transferred					
19	from this item to the following:					
20	<b>ARPA Fund Source / Grant State Agency</b>		<b>FY 2023 Appropriation</b>		<b>FY 2024 Appropriation</b>	
21	Crisis Response Cooperative	Department of Health (601)	\$25,460,480		\$2,000,000	
22	Agreement (CDC)					
23	Epidemiology and Lab	Department of Health (601)	\$84,838,264		\$7,069,855	
24	Capacity for School Testing					
25	(CDC)					
26	Epidemiology and Lab	Department of Health (601)	\$6,976,200		\$6,976,200	
27	Capacity for Confinement					
28	Settings (CDC)					
29	COVID-19 Vaccine	Department of Health (601)	\$12,557,027		\$12,557,027	
30	Preparedness Adjustment					
31	(CDC)					
32	Maternal, Infant and Early	Department of Health (601)	\$439,674		\$109,918	
33	Childhood Home Visiting					
34	Grant Program (HRSA)					
35	Disease Intervention	Department of Health (601)	\$4,519,512		\$4,519,512	
36	Workforce (CDC)					
37	AmeriCorps (CNCS)	Department of Social Services	\$2,262,662		\$2,562,662	
38		(765)				
39	Family Violence Prevention	Department of Social Services	\$4,694,940		\$7,434,005	
40	and Services (ACF)	(765)				
41	Homeless Service Sites &	Department of Health (601)	\$575,688		\$575,688	
42	Congregate Settings (ELC)					
43	Strengthening HAI & AR	Department of Health (601)	\$3,270,588		\$3,270,588	
44	Program Capacity (SHARP)					
45	(ELC)					
46	Nursing Home & Long-term	Department of Health (601)	\$2,003,832		\$2,003,832	
47	Care Facility Strike Teams -					
48	SNF (ELC)					
49	Nursing Home & Long-term	Department of Health (601)	\$1,982,268		\$1,982,268	
50	Care Facility Strike Teams -					
51	NH & LTC (ELC)					
52	Travelers Health Year 2	Department of Health (601)	\$277,083		\$0	
53	(ELC)					
54	Maternal, Infant and Early	Department of Health (601)	\$1,763,968		\$0	
55	Childhood Homevisiting					

ITEM 486.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Grant Program				
2	2. The Director of the Department of Planning and Budget is authorized to adjust the amounts				
3	appropriated in paragraph B.1. above to reflect the actual revenues received by the				
4	Commonwealth for each grant.				
5	3.a. Agencies are authorized to initiate spending from these appropriations in order to provide				
6	one-time services for purposes authorized and permitted under federal law and in accordance				
7	with the guidance issued by the U.S. Department of Treasury and other applicable federal				
8	agencies, or to execute requirements of federal law that must be initiated. No such spending				
9	shall be initiated for programs or services that create an ongoing commitment of state				
10	resources after the conclusion of the federal grant unless such services are required by federal				
11	law.				
12	b. Prior to initiating any program, service, or spending from these appropriations, the				
13	responsible agency must provide written notification of its intended action to the Governor,				
14	the Chairs of the House Appropriations Committee and the Senate Finance and				
15	Appropriations Committee, and the Director of the Department of Planning and Budget. Such				
16	notice shall be provided no less than ten business days before an agency initiates services or				
17	incurs any costs associated with the grant. For purposes of this section, initiating a program				
18	includes any public announcement or proposal presented to constituent groups.				
19	c. If an agency wishes to spend any amounts from these grants for purposes that create an				
20	ongoing commitment that must be maintained by state resources after the conclusion of the				
21	federal grant, it must receive prior approval and authorization of the General Assembly.				
22	Agencies must submit such proposals to the Department of Planning and Budget for				
23	consideration by the Governor and the General Assembly <del>in the 2024 session of the General</del>				
24	<del>Assembly</del> at its next session.				
25	d. Agencies must ensure compliance with all use, documentation, and reporting requirements				
26	established in state and federal guidelines and laws.				
27	e. The Governor is authorized to appropriate any additional grants not listed above if they				
28	must be executed before <del>the 2024 regular session of the General Assembly June 30, 2024.</del>				
29	The Governor shall provide written notice to the chairpersons of the House Appropriations				
30	Committee and the Senate Finance and Appropriations Committee no less than five business				
31	days prior to appropriating such grants.				
32	C. Temporary nurse aides practicing in long term care facilities under the federal Public				
33	Health Emergency 1135 Waiver may be deemed eligible by the Board of Nursing while this				
34	waiver is in effect, and in the four-month period from the end of this waiver, to take the				
35	National Nurse Aide Assessment Program examination upon submission of a completed				
36	application, the employer's written verification of competency and employment as a				
37	temporary nurse aide, and provided no other grounds exist under Virginia law to deny the				
38	application.				
39	D. Any amounts appropriated in this item that remain unspent at the end of any fiscal year				
40	shall be reappropriated in the next fiscal year to be spent for the same purposes as stated in				
41	this act.				
42	486.10 Not set out.				
43	487. Not set out.				
44	487.10 Not set out.				
45	487.50 Miscellaneous Undistributed Appropriations (75600).			\$16,000,000	\$17,000,000
46	Miscellaneous Undistributed Appropriations (75601).	\$16,000,000	\$17,000,000		
47	Fund Sources: General.....	\$16,000,000	\$17,000,000		
48	A. Out of this appropriation, \$16,000,000 the first year and \$17,000,000 the second year from				
49	the general fund is designated for workforce development training. Oversight ahead of all				
50	funding transfers outlined below shall be coordinated and released by the Secretary of				

ITEM 487.50.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Education, the Secretary of Finance, the director of the Department of Planning and				
2	Budget, the director of the State Council of Higher Education for Virginia, the staff				
3	directors of the House Appropriation and Senate Finance and Appropriations Committees,				
4	and the director of the Virginia Economic Development Partnership. Additionally, the				
5	designated reviewers shall collaborate with the Superintendent of Public Instruction before				
6	approving spending plans supporting the Direct Aid to Public Education (197) funding				
7	area. Upon approval, the Department of Planning and Budget shall transfer to each agency				
8	the following amounts for this purpose:				
9	<b>Institution</b>	<b>Fiscal Year 2023</b>		<b>Fiscal Year 2024</b>	
10	State Council for Higher Education of	\$3,000,000		\$10,000,000	
11	Virginia (245)				
12	Virginia Community College System	10,000,000		4,500,000	
13	(260)				
14	Direct Aid to Public Education (197)	3,000,000		0	
15	<del>Virginia Economic Development</del>	0		2,500,000	
16	<del>Partnership (310)</del>				
17	<del>Office of the Secretary of Labor (195)</del>				
18	<b>Total</b>	<b>\$16,000,000</b>		<b>\$17,000,000</b>	
19	B. 1. Out of the above appropriation, \$3,000,000 the first year and \$10,000,000 the second				
20	year from the general fund supports the Innovative Internship Fund and Program, § 23.1-				
21	903.4, Code of Virginia. This funding is designated to expand paid or credit-bearing				
22	student internships and other work-based learning experiences in collaboration with				
23	Virginia employers so that, over time, every Virginia undergraduate student who wants				
24	such an opportunity may access it without extending time to completion of undergraduate				
25	study.				
26	2.a. Out of the above appropriation, \$8,000,000 the first year from the general fund is				
27	designated for G3 Innovation Grants.				
28	b. The Virginia Community College System (VCCS), in collaboration with the Office of				
29	Education and Labor Market Alignment within the Virginia Economic Development				
30	Partnership Authority System, and in accordance with § 23.1-2911.2 D., shall award				
31	grants to community colleges in order to increase the capacity and responsiveness of				
32	colleges to meet regional labor market needs of employers, unemployed and				
33	underemployed workers, and incumbent workers.				
34	3. Out of the above appropriation, \$2,000,000 the first year and \$2,000,000 the second				
35	year from the general fund is designated for the Virginia Community College System to				
36	support the Network2Work program, connecting job seekers to training and career				
37	resources.				
38	4. Out of the above appropriation, \$2,500,000 the second year from the general fund is				
39	designated for economic development programming under the Hampton Roads Skilled				
40	Trades Rapid On-ramp Network for Growth (STRONG) initiative, as funded under				
41	VCCS. The Virginia Community College System shall collaborate with the Hampton				
42	Roads Workforce Council to support career access and training opportunities in the naval				
43	shipbuilding, offshore wind, and road and tunnel construction industries.				
44	5.a. Out of the above appropriation, \$2,500,000 the second year from the general fund is				
45	designated for the Advanced Manufacturing Talent Investment Program and Fund pilot, as				
46	established by Chapter 499 and Chapter 500, 2022 Acts of Assembly. <del>These</del>				
47	<del>Notwithstanding the provisions of § 23.1-1244, Code of Virginia, any unexpended</del>				
48	<del>amounts from these funds shall be allocated by the Virginia Economic Development</del>				
49	<del>Partnership Office of the Secretary of Labor in accordance with provisions established in §</del>				
50	<del>23.1-1244</del> and shall be used to increase the number of trained individuals entering				
51	advanced manufacturing careers. Moneys in the Fund shall be used to support this effort				
52	and to improve the readiness of graduates to be employed in identified advanced				
53	manufacturing fields.				
54	b. The pilot shall be limited to existing programs that serve advanced manufacturing needs				

ITEM 487.50.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	in the Hampton Roads and Southwest Virginia regions. Such programs may be operated by				
2	one or more of the following: (i) a comprehensive community college; (ii) a career and				
3	technical education program operated by a local school board or a group of school boards;				
4	(iii) the Institute of Advanced Learning and Research; (iv) the New College Institute; (v)				
5	Richard Bland College; (vi) the Roanoke Higher Education Center; (vii) the Southern				
6	Virginia Higher Education Center; or (viii) the Southwest Virginia Higher Education Center.				
7	Program applicants shall be encouraged to partner with regional businesses and industries on				
8	program development and implementation.				
9	c. The existing capacity of current eligible credential programs and awards shall not duplicate				
10	underutilized existing programs within the same region.				
11	d. Recipients of program funding under the pilot shall submit reports on the progress of their				
12	programming to the Governor, the Chairs of the House Appropriations Committee and the				
13	Senate Finance and Appropriations Committee, and relevant staff no later than June 30, 2024.				
14	6. Out of this appropriation, \$3,000,000 the first year from the general fund is provided for				
15	competitive grants to school divisions to increase the teaching of students in skilled trades that				
16	lead to earning industry-recognized certifications or credentials. These grants shall provide				
17	one-time assistance to divisions to establish, expand, or restore such programs in middle or				
18	high school. These grants shall support programs offering industry-recognized certifications				
19	or credentials that are in demand by regional employers and lead to employment. Funds shall				
20	be used to support equipment, curriculum development and instructor training. The				
21	Department of Education shall establish application guidelines, including a requirement for				
22	school divisions to provide an operational plan to maintain the program after the funds are				
23	disbursed.				
24	488. Not set out.				
25	Total for Central Appropriations.....			\$1,579,579,115	\$1,044,653,520
26					\$1,056,531,636
27	Fund Sources: General.....	\$451,066,949	\$807,228,780		
28			\$810,464,782		
29	Higher Education Operating.....	\$3,525,816	\$3,525,816		
30			\$12,157,622		
31	Trust and Agency.....	\$71,341,966	\$70,604,322		
32	Federal Trust.....	\$1,053,644,384	\$163,294,602		
33			\$163,304,910		
34	TOTAL FOR CENTRAL APPROPRIATIONS.....			\$1,579,579,115	\$1,044,653,520
35					\$1,056,531,636
36	Fund Sources: General.....	\$451,066,949	\$807,228,780		
37			\$810,464,782		
38	Higher Education Operating.....	\$3,525,816	\$3,525,816		
39			\$12,157,622		
40	Trust and Agency.....	\$71,341,966	\$70,604,322		
41	Federal Trust.....	\$1,053,644,384	\$163,294,602		
42			\$163,304,910		
43	TOTAL FOR EXECUTIVE DEPARTMENT.....			\$79,158,189,279	\$81,888,640,897
44					\$81,368,941,330
45	General Fund Positions.....	50,642.35	50,951.35		
46			50,951.85		
47	Nongeneral Fund Positions.....	67,921.07	68,062.07		
48			68,062.57		
49	Position Level.....	118,563.42	119,013.42		
50			119,014.42		
51	Fund Sources: General.....	\$28,976,939,473	\$30,348,195,384		
52			\$29,955,663,005		
53	Special.....	\$1,789,103,325	\$1,811,924,289		
54	Higher Education Operating.....	\$10,125,410,256	\$10,235,138,003		
55			\$10,243,769,809		

ITEM 488.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Commonwealth Transportation.....	\$8,598,252,151	\$8,401,469,644		
2	Enterprise.....	\$1,728,860,599	\$1,783,395,369		
3	Internal Service.....	\$2,404,388,342	\$2,413,968,065		
4	Trust and Agency.....	\$2,740,017,850	<del>\$2,710,956,383</del>		
5			<del>\$2,800,444,406</del>		
6	Debt Service.....	\$363,620,626	\$363,620,626		
7	Dedicated Special Revenue.....	\$4,126,291,384	<del>\$4,470,923,667</del>		
8			<del>\$4,974,300,073</del>		
9	Federal Trust.....	\$18,305,305,273	<del>\$19,349,049,467</del>		
10			<del>\$18,620,386,044</del>		

ITEM 489.	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
<b>1</b>	<b>INDEPENDENT AGENCIES</b>			
<b>2</b>	489.	Not set out.		
<b>3</b>	490.	Not set out.		
<b>4</b>	491.	Not set out.		
<b>5</b>	492.	Not set out.		
<b>6</b>	493.	Not set out.		
<b>7</b>	494.	Not set out.		
<b>8</b>	495.	Not set out.		
<b>9</b>	496.	Not set out.		
<b>10</b>	497.	Not set out.		
<b>11</b>	498.	Not set out.		
<b>12</b>	499.	Not set out.		
<b>13</b>	500.	Not set out.		
<b>14</b>	501.	Not set out.		
<b>15</b>	502.	Not set out.		
<b>16</b>	503.	Not set out.		
<b>17</b>	TOTAL FOR INDEPENDENT AGENCIES.....		<b>\$1,163,448,379</b>	<b>\$1,188,948,386</b>
<b>18</b>	Nongeneral Fund Positions.....	2,026.00	2,027.00	
<b>19</b>	Position Level.....	2,026.00	2,027.00	
<b>20</b>	Fund Sources: General.....	\$6,781,138	\$27,196,295	
<b>21</b>	Special.....	\$114,314,011	\$110,603,509	
<b>22</b>	Enterprise.....	\$806,776,105	\$812,961,016	
<b>23</b>	Trust and Agency.....	\$127,935,179	\$130,410,194	
<b>24</b>	Dedicated Special Revenue.....	\$102,879,946	\$103,015,372	
<b>25</b>	Federal Trust.....	\$4,762,000	\$4,762,000	

ITEM 504.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	<b>STATE GRANTS TO NONSTATE ENTITIES</b>				
2	504. Not set out.				
3	TOTAL FOR STATE GRANTS TO NONSTATE				
4	ENTITIES.....			\$0	\$0
5	TOTAL FOR PART 1: OPERATING EXPENSES.			\$81,065,357,358	\$83,829,224,669
6					\$83,309,525,102
7	General Fund Positions.....	55,020.06	55,347.06		
8			55,347.56		
9	Nongeneral Fund Positions.....	70,085.57	70,227.57		
10			70,228.07		
11	Position Level.....	125,105.63	125,574.63		
12			125,575.63		
13	Fund Sources: General.....	\$29,684,401,188	\$31,083,660,790		
14			\$30,691,128,411		
15	Special.....	\$1,918,789,522	\$1,938,227,136		
16	Higher Education Operating.....	\$10,125,410,256	\$10,235,138,003		
17			\$10,243,769,809		
18	Commonwealth Transportation.....	\$8,598,252,151	\$8,401,469,644		
19	Enterprise.....	\$2,535,636,704	\$2,596,356,385		
20	Internal Service.....	\$2,404,388,342	\$2,413,968,065		
21	Trust and Agency.....	\$2,868,082,311	\$2,841,495,859		
22			\$2,930,983,882		
23	Debt Service.....	\$363,620,626	\$363,620,626		
24	Dedicated Special Revenue.....	\$4,255,256,698	\$4,600,024,407		
25			\$5,103,400,813		
26	Federal Trust.....	\$18,311,519,560	\$19,355,263,754		
27			\$18,626,600,331		

Item Details(\$)		Appropriations(\$)	
First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024

## **PART 2: CAPITAL PROJECT EXPENSES**

### **§ 2-0. GENERAL CONDITIONS**

A.1. The General Assembly hereby authorizes the capital projects listed in this act. The amounts hereinafter set forth are appropriated to the state agencies named for the indicated capital projects. Amounts so appropriated and amounts reappropriated pursuant to paragraph G. of this section shall be available for expenditure during the current biennium, subject to the conditions controlling the expenditures of capital project funds as provided by law. Reappropriated amounts, unless otherwise stated, are limited to the unexpended appropriation balances at the close of the previous biennium, as shown by the records of the Department of Accounts.

2. The Director, Department of Planning and Budget, may transfer appropriations listed in Part 2 of this act from the second year to the first year in accordance with § 4-1.03 c.5. of this act.

B. The five-digit number following the title of a project is the code identification number assigned for the life of the project.

C. Except as herein otherwise expressly provided, appropriations or reappropriations for structures may be used for the purchase of equipment to be used in the structures for which the funds are provided, subject to guidelines prescribed by the Governor.

D. Notwithstanding any other provisions of law, appropriations for capital projects shall be subject to the following:

1. Appropriations or reappropriations of funds made pursuant to this act for planning of capital projects shall not constitute implied approval of construction funds in a future biennium. Funds, other than the reappropriations referred to above, for the preparation of capital project proposals must come from the affected agency's existing resources.

2. No capital project for which appropriations for planning are contained in this act, nor any project for which appropriations for planning have been previously approved, shall be considered for construction funds until preliminary plans and cost estimates are reviewed by the Department of General Services. The purpose of this review is to avoid unnecessary expenditures for each project, in the interest of assuring the overall cost of the project is reasonable in relation to the purpose intended, regardless of discrete design choices.

E.1. Expenditures from Items in this act identified as "Maintenance Reserve" are to be made only for the maintenance of property, plant, and equipment as defined in § 4-4.01 c. of this act to the extent that funds included in the appropriation to the agency for this purpose in Part 1 of this act are insufficient.

2. Agencies and institutions of higher education can expend up to \$2,000,000 for a single repair or project, and up to \$4,000,000 for a roof replacement project, through the maintenance reserve appropriation. Such expenditures shall be subject to rules and regulations prescribed by the Governor. To the extent an agency or institution of higher education has identified a potential project that exceeds this threshold, the Director, Department of Planning and Budget, can provide exemptions to the threshold as long as the project still meets the definition of a maintenance reserve project as defined by the Department of Planning and Budget.

3. Only facilities supported wholly or in part by the general fund shall utilize general fund maintenance reserve appropriations. Facilities supported entirely by nongeneral funds shall accomplish maintenance through the use of nongeneral funds.

#### **F. Conditions Applicable to Bond Projects**

1. The capital projects listed in §§ 2-30 and 2-31 for the indicated agencies and institutions of higher education are hereby authorized and sums from the sources and in the amount indicated are hereby appropriated and reappropriated. The issuance of bonds in a principal amount plus amounts needed to fund issuance costs, reserve funds, and other financing expenses, including capitalized interest for any project listed in §§ 2-30 and 2-31 is hereby authorized.

2. The issuance of bonds for any project listed in § 2-30 is to be separately authorized pursuant to Article X, Section 9 (c), Constitution of Virginia.

3. The issuance of bonds for any project listed in §§ 2-30 or 2-31 shall be authorized pursuant to § 23.1-1106, Code of Virginia.

4. In the event that the cost of any capital project listed in §§ 2-30 and 2-31 shall exceed the amount appropriated therefore, the Director, Department of Planning and Budget, is hereby authorized, upon request of the affected institution, to approve an increase in appropriation authority of not more than ten percent of the amount designated in §§ 2-30 and 2-31 for such project, from any available nongeneral fund revenues, provided that such increase shall not constitute an increase in debt issuance authorization for such capital project. Furthermore, the Director, Department of Planning and Budget, is hereby authorized to approve the expenditure of all interest earnings derived from the investment of bond proceeds in addition to the amount designated in §§ 2-30 and 2-31 for such capital project.



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5. The interest on bonds to be issued for these projects may be subject to inclusion in gross income for federal income tax purposes.
6. Inclusion of a project in this act does not imply a commitment of state funds for temporary construction financing. In the absence of such commitment, the institution may be responsible for securing short-term financing and covering the costs from other sources of funds.
7. In the event that the Treasury Board determines not to finance all or any portion of any project listed in § 2-30 of this act with the issuance of bonds pursuant to Article X, Section 9 (c), Constitution of Virginia, and notwithstanding any provision of law to the contrary, this act shall constitute the approval of the General Assembly to finance all or such portion of such project under the authorization of § 2-31 of this act.
8. The General Assembly further declares and directs that, notwithstanding any other provision of law to the contrary, 50 percent of the proceeds from the sale of surplus real property pursuant to § 2.2-1147 et seq., Code of Virginia, which pertain to the general fund, and which were under the control of an institution of higher education prior to the sale, shall be deposited in a special fund set up on the books of the State Comptroller, which shall be known as the Higher Education Capital Projects Fund. Such sums shall be held in reserve, and may be used, upon appropriation, to pay debt service on bonds for the 21st Century College Program as authorized in Item C-7.10 of Chapter 924 of the Acts of Assembly of 1997.
9. Notwithstanding any other provision of law, a public institution of higher education may participate in the United States Department of Education Historically Black College and University Capital Financing Program (HBCU Program), and use federal grant and contract funds as permitted by the Program.
- G. Upon certification by the Director, Department of Planning and Budget, there is hereby reappropriated the appropriations unexpended at the close of the previous biennium for all authorized capital projects which meet any of the following conditions:
1. Construction is in progress.
  2. Equipment purchases have been authorized by the Governor but not received.
  3. Plans and specifications have been authorized by the Governor but not completed.
  4. Obligations were outstanding at the end of the previous biennium.
- H. Alternative Financing
1. Any agency or institution of the Commonwealth that would construct, purchase, lease, or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, shall provide a report to the Governor and the Chairs of the Senate Finance and Appropriations Committee and the and House Appropriations Committees no less than 30 days prior to entering into such alternative financing agreement. This report shall provide:
    - a. a description of the purpose to be achieved by the proposal;
    - b. a description of the financing options available, including the alternative financing, which will delineate the revenue streams or client populations pledged or encumbered by the alternative financing;
    - c. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the Commonwealth;
    - d. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the clients of the agency or institution; and
    - e. a recommendation and planned course of action based on this analysis.
- I. Conditions Applicable to Alternative Financing
- The following authorizations to construct, purchase, lease or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, are continued until revoked. Projects in this section shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23.1-1106 C.1.d, Code of Virginia. Furthermore, projects in this section shall be submitted for comment to the Six-Year Capital Outlay Plan Advisory Committee, established under § 2.2-1516, Code of Virginia:
1. James Madison University
    - a. Subject to the provisions of this act, the General Assembly authorizes James Madison University, with the approval of the Governor, to explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury

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1	Board Guidelines issued pursuant to § 23.1-1106 C.I.d, Code of Virginia.				
2	b. The General Assembly authorizes James Madison University to enter into a written agreement with a public or private entity to				
3	design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities.				
4	The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in				
5	accordance with the guidelines cited in paragraph 1 of this item. James Madison University is also authorized to enter into a written				
6	agreement with the public or private entity to lease all or a portion of the facilities.				
7	c. The General Assembly further authorizes James Madison University to enter into a written agreement with the public or private				
8	entity for the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's				
9	facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the				
10	facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise				
11	supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a				
12	breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of				
13	the University or the Commonwealth of Virginia.				
14	d. James Madison University is further authorized to convey fee simple title in and to one or more parcels of land to James Madison				
15	University Foundation (JMUF), which will develop and use the land for the purpose of developing and establishing residential housing				
16	for students and/or faculty and staff, office, retail, athletics, dining, student services, and other auxiliary activities and commercial land				
17	use in accordance with the University's Master Plan.				
18	2. Longwood University				
19	a. Subject to the provisions of this act, the General Assembly authorizes Longwood University to enter into a written agreement or				
20	agreements with the Longwood University Real Estate Foundation (LUREF) for the development, design, construction and financing of				
21	student housing projects, a convocation center, parking, and operational and recreational facilities through alternative financing				
22	agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.				
23	b. Longwood is further authorized to enter into a written agreement with the LUREF for the support of such student housing,				
24	convocation center, parking, and operational and recreational facilities by including the facilities in the University's facility inventory				
25	and managing their operation and maintenance; by assigning parking authorizations, students and/or operations to the facility or				
26	facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the				
27	facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the				
28	University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the				
29	University or the Commonwealth of Virginia.				
30	c. The General Assembly further authorizes Longwood University to enter into a written agreement with a public or private entity to				
31	plan, design, develop, construct, finance, manage and operate a facility or facilities to provide additional student housing and/or				
32	operational-related facilities. Longwood University is also authorized to enter into a written agreement with the public or private entity				
33	to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for				
34	planning, construction and other costs of any of the projects. Revenue bonds issued by or for the benefit of LUREF will provide				
35	construction and/or permanent financing.				
36	d. Longwood University is further authorized to convey fee simple title in and to one or more parcels of land to LUREF, which will				
37	develop and use the land for the purpose of developing and establishing residential housing for students and/or faculty and staff, office,				
38	retail, athletics, dining, student services, and other auxiliary activities and commercial land use in accordance with the University's				
39	Master Plan.				
40	3. Christopher Newport University				
41	a. Subject to the provisions of this act, the General Assembly authorizes Christopher Newport University to enter into, continue, extend				
42	or amend written agreements with the Christopher Newport University Educational Foundation (CNUF) or the Christopher Newport				
43	University Real Estate Foundation (CNUREF) in connection with the refinancing of certain housing and office space projects.				
44	b. Christopher Newport University is further authorized to enter into, continue, extend or amend written agreements with CNUF or				
45	CNUREF to support such facilities including agreements to (i) lease all or a portion of such facilities from CNUF or CNUREF, (ii)				
46	include such facilities in the University's building inventory, (iii) manage the operation and maintenance of the facilities, including				
47	collection of any rental fees from University students in connection with the use of such facilities, and (iv) otherwise support the				
48	activities at such facilities consistent with law, provided that the University shall not be required to take any action that would				
49	constitute a breach of the University's obligation under any documents or instruments constituting or securing bonds or other				
50	indebtedness of the University or the Commonwealth of Virginia.				
51	4. Radford University				
52	a. Subject to the provisions of this act, the General Assembly authorizes Radford University, with the approval of the Governor, to				

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1	explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related				
2	facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury				
3	Board Guidelines issued pursuant to § 23.1-1106 C.1.d, Code of Virginia.				
4	b. The General Assembly authorizes Radford University to enter into a written agreement with a public or private entity to design,				
5	construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The				
6	facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in				
7	accordance with the guidelines cited in paragraph 1 of this item. Radford University is also authorized to enter into a written				
8	agreement with the public or private entity to lease all or a portion of the facilities.				
9	c. The General Assembly further authorizes Radford University to enter into a written agreement with the public or private entity for				
10	the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility				
11	inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the				
12	facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise				
13	supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute				
14	a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness				
15	of the University or the Commonwealth of Virginia.				
16	5. University of Mary Washington				
17	a. Subject to the provisions of this act, the General Assembly authorizes the University of Mary Washington to enter into a written				
18	agreement or agreements with the University of Mary Washington Foundation (UMWF) to support student housing projects and/or				
19	operational-related or other facilities through alternative financing agreements including public-private partnerships and leasehold				
20	financing arrangements.				
21	b. The University of Mary Washington is further authorized to enter into written agreements with UMWF to support such student				
22	housing facilities; the support may include agreements to (i) include the student housing facilities in the University's students housing				
23	inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied				
24	University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) seek to obtain				
25	police power over the student housing as provided by law; and (v) otherwise support the students housing facilities consistent with				
26	law, provided that the University's obligation under any documents or other instruments constituting or securing bonds or other				
27	indebtedness of the University or the Commonwealth of Virginia.				
28	c. The General Assembly further authorizes the University of Mary Washington to enter into a written agreement with a public or				
29	private entity to design, construct, and finance a facility or facilities to provide additional student housing and/or operational-related				
30	facilities. The facility or facilities may or may not be located on property owned by the Commonwealth. The University of Mary				
31	Washington is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the				
32	facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other				
33	costs of any of the projects. Revenue bonds issued by or for UMWF will provide construction and/or permanent financing.				
34	d. The University of Mary Washington is further authorized to convey fee simple title in and to one or more parcels of land to the				
35	University of Mary Washington Foundation (UMWF) which will develop and use the land for the purpose of developing and				
36	establishing residential housing for students, faculty, or staff, recreational, athletic, and/or operational related facilities including				
37	office, retail and commercial, student services, or other auxiliary activities.				
38	6. Norfolk State University				
39	a. Subject to the provisions of this act, the General Assembly authorizes Norfolk State University to enter into a written agreement or				
40	agreements with a Foundation of the University for the development of one or more student housing projects on or adjacent to campus,				
41	subject to the conditions outlined in the Public-Private Education Facilities Infrastructure Act of 2002.				
42	b. Norfolk State University is further authorized to enter into written agreements with a Foundation of the University to support such				
43	student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's student				
44	housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students				
45	occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) restrict				
46	construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and				
47	(vi) otherwise support the student housing facilities consistent with law, provided that the University shall not be required to take any				
48	action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing				
49	bonds or other indebtedness of the University or the Commonwealth of Virginia.				
50	7. Northern Virginia Community College - Alexandria Campus				
51	The General Assembly authorizes Northern Virginia Community College, Alexandria Campus to enter into a written agreement either				
52	with its affiliated foundation or a private contractor to construct a facility to provide on-campus housing on College land to be leased				
53	to said foundation or private contractor for such purposes. Northern Virginia Community College, Alexandria Campus, is also				

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1	authorized to enter into a written agreement with said foundation or private contractor for the support of such student housing facilities and				
2	management of the operation and maintenance of the same.				
3	8. Virginia State University				
4	a. Subject to the provisions of this act, the General Assembly authorizes Virginia State University (University) to enter into a written				
5	agreement or agreements with the Virginia State University Foundation (VSUF), Virginia State University Real Estate Foundation				
6	(VSUREF), and other entities owned or controlled by the university for the development, design, construction, financing, and				
7	management of a mixed-use economic development corridor comprising student housing, parking, and dining facilities through				
8	alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by				
9	the Commonwealth.				
10	b. Virginia State University is further authorized to enter into a written agreement with the VSUREF, VSUF, and other entities owned				
11	or controlled by the university for the support of such a mixed-use economic development corridor comprising student housing,				
12	parking, and dining facilities by including these projects in the university's facility inventory and managing their operation and				
13	maintenance; by assigning parking authorizations, students and/or operations to the facility or facilities in preference to other university				
14	facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that				
15	the university shall not be required to take any action that would constitute a breach of the university's obligations under any documents				
16	or other instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia.				
17	9. College of William and Mary				
18	a. Subject to the provisions of this act, the General Assembly authorizes the College of William and Mary, with the approval of the				
19	Governor, to explore and evaluate alternative financing scenarios to provide additional parking, student or faculty/staff housing,				
20	recreational, athletic and/or operational related facilities. The project shall be consistent with the guidelines of the Department of				
21	General Services and comply with Treasury Board guidelines issued pursuant to § 23.1-1106 C.1. (d), Code of Virginia.				
22	b. The General Assembly authorizes the College of William and Mary to enter into written agreements with public or private entities to				
23	design, construct, and finance a facility or facilities to provide additional parking, student or faculty/staff housing, recreational, athletic,				
24	and/or operational related facilities. The facility or facilities may be on property owned by the Commonwealth. All project proposals				
25	and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. The College of William and Mary is also				
26	authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facility.				
27	c. The General Assembly further authorizes the College of William and Mary to enter into written agreements with the public or private				
28	entities for the support and operation of such parking, student or faculty/staff housing, recreational, athletic, and /or operational related				
29	facilities by including the facilities in the College's facility inventory and managing their operation and maintenance including the				
30	assignment of parking authorizations, students, faculty or staff, and operations to the facility in preference to other university facilities,				
31	limiting construction of competing projects, and by otherwise supporting the facilities consistent with law, provided that the College				
32	shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other				
33	instruments constituting or securing bonds or other indebtedness of the College or the Commonwealth of Virginia.				
34	d. The College of William and Mary is further authorized to convey fee simple title in and to one or more parcels of land to the William				
35	and Mary Real Estate Foundation (WMREF) which will develop and use the land for the purpose of developing and establishing				
36	residential housing for students, faculty, or staff, recreational, athletic, and/or operational related facilities including office, retail and				
37	commercial, student services, or other auxiliary activities.				
38	10. Richard Bland College				
39	a. Subject to the provisions of this act, the General Assembly authorizes Richard Bland College to enter into a ground lease, of 186				
40	acres adjacent to the main campus, with a Foundation of the College, which may include the Richard Bland College Foundation, for the				
41	purpose of economic development or the development of campus-needed facilities, including but not limited to office, student services,				
42	auxiliary activities, athletics, and residential housing.				
43	b. Richard Bland College is further authorized to enter into written agreements with a Foundation of the College to support facilities				
44	development. The support may include agreements to: (i) manage the operation and maintenance of the developed facilities, including				
45	collection of rental fees for occupied College-owned real estate; (ii) restrict construction of competing projects; (iii) seek to obtain				
46	police power over the facilities as provided by law; and (iv) otherwise support the facilities consistent with law, provided that the				
47	College shall not be required to take any action that would constitute a breach of the College's obligations under any documents or				
48	other instruments constituting or securing bonds or other indebtedness of the College or the Commonwealth of Virginia.				
49	11. The following individuals, and members of their immediate family, may not engage in an alternative financing arrangement with				
50	any agency or institution of the Commonwealth, where the potential for financial gain, or other factors may cause a conflict of interest:				
51	a. A member of the agency or institution's governing body;				

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b. Any elected or appointed official of the Commonwealth or its agencies and institutions who has, or reasonably can be assumed to have, a direct influence on the approval of the alternative financing arrangement; or

c. Any elected or appointed official of a participating political subdivision, or authority who has, or reasonably can be assumed to have, a direct influence on the approval of the alternative financing arrangement.

J. 1. Appropriations contained in this act for capital project planning shall be used as specified for each capital project and construction funding for the project shall be considered by the General Assembly after determining that (1) project cost is reasonable; (2) the project remains a highly-ranked capital priority for the Commonwealth; and (3) the project is fully justified from a space and programmatic perspective.

2. Appropriations reappropriated for institutions of higher education, in accordance with § 23.1-1002, Code of Virginia, may be used to fund the detailed planning authorized for projects in this act and shall be reimbursed when the project is funded to move into the construction phase.

K. Any capital project that has received a supplemental appropriation due to cost overruns is expected to be completed within the revised budget provided. If a project requires an additional supplement, the Governor should also consider reduction in project scope or cancelling the project before requesting additional appropriations. Agencies and institutions with nongeneral funds may bear the costs of additional overruns from nongeneral funds.

L. The Governor shall consider the project life cycle cost that provides the best long-term benefit to the Commonwealth when conducting capital project reviews, design and construction decisions, and project scope changes.

M. No structure, improvement or renovation shall occur on the state property located at the Carillon in Byrd Park in the City of Richmond without the approval of the General Assembly.

N. All agencies of the Commonwealth and institutions of higher education shall provide information and/or use systems and processes in the method and format as directed by the Director, Department of General Services, on behalf of the Six-Year Capital Outlay Plan Advisory Committee, to provide necessary information for state-wide reporting. This requirement shall apply to all projects, including those funded from general and nongeneral fund sources.

O. The Director, Department of Planning and Budget, in consultation with the Six-Year Capital Outlay Plan Advisory Committee, is authorized to transfer appropriations, including bond appropriations and bond proceeds, between and among the capital pool projects listed in the table below, in order to address any shortfall in appropriation in one or more of such projects:

Pool Project No.	Pool Project Title	Authorization
17775	Public Education Institutions Capital Account	Enactment Clause 2, § 4, Chapter 1, 2008 Acts of Assembly, Special Session I
17776	State Agency Capital Account	Enactment Clause 2, § 2, Chapter 1, 2008 Acts of Assembly, Special Session I
17861	Supplements for Previously Authorized Higher Education Capital Projects	Item C-85, Chapter 874, 2010 Acts of Assembly; amended by Item C-85, Chapter 890, 2011 Acts of Assembly
17862	Energy Conservation	Item C-86, Chapter 890, 2011 Acts of Assembly
17967	Capital Outlay Project Pool	Item C-38.10, Chapter 3, 2012 Acts of Assembly, Special Session I; amended by: Item C-38.10, Chapter 806, 2013 Acts of Assembly; Item C-38.10, Chapter 1, 2014 Acts of Assembly, Special Session I; Item C-43, Chapter 2, 2014 Acts of Assembly, Special Session I; Item C-43, Chapter 665, 2015 Acts of Assembly; and Item 48.10, Chapter 836, 2017 Acts of Assembly; and Item C-44.10, Chapter 854, 2019 Acts of Assembly.
18049	Comprehensive Capital Outlay Program	Item C-39.40, Chapter 806, 2013 Acts of Assembly; amended by: Item C-39.40, Chapter 1, 2014 Acts of Assembly, Special Session I; Item C-46.10, Chapter 2, 2014 Acts of Assembly, Special Session I, Item 46.10, Chapter 665, 2015 Acts of

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1					Assembly, Item C-46, Chapter 2, 2018 Acts	
2					of Assembly, Special Session I, and Item C-	
3					77 if this act.	
4	18196	Capital Outlay Renovation Pool			Item C-46.15, Chapter 665, 2015 Acts of	
5					Assembly; amended by: Item C-46.10,	
6					Chapter 854, 2019 Acts of Assembly.	
7	18300	2016 VPBA Capital Construction Pool			§ 1, Chapters 759 and 769, 2016 Acts of	
8					Assembly; amended by: Item C-47, Chapter	
9					2, 2018 Acts of Assembly, Special Session I.	
10	18301	2016 VCBA Capital Construction Pool			§ 2, Chapters 759 and 769, 2016 Acts of	
11					Assembly; amended by: Item C-48, Chapter	
12					2, 2018 Acts of Assembly, Special Session I.	
13	18371	2018 Capital Construction Pool			Item C-45, Chapter 2, 2018 Acts of	
14					Assembly, Special Session I; amended by:	
15					Item C-45, Chapter 854, 2019 Acts of	
16					Assembly.	
17	18382	Supplemental funding: Capitol Complex			Item C-51.50, Chapter 2, 2018 Acts of	
18		Infrastructure and Security			Assembly, Special Session I; amended by:	
19					Item C-51.50, Chapter 854, 2019 Acts of	
20					Assembly.	
21	18408	2019 Capital Construction Pool			Item C-48.10, Chapter 854, 2019 Acts of	
22					Assembly.	
23	18493	2020 VPBA Construction Pool			Item C-67 of Chapter 1289, 2020 Acts of	
24					Assembly; amended by Item C-78 of this	
25					act.	
26	18494	2020 VCBA Constructions Pool			Item C-68 of Chapter 1289, 2020 Acts of	
27					Assembly; amended by Item C-68, Chapter	
28					552, 2021 Acts of Assembly, Special	
29					Session I.	
30	18145	Supplement Previously Authorized Capital			Item C-69 of Chapter 1289, 2020 Acts of	
31		Project Construction Pools			Assembly; amended by: Item C-69, Chapter	
32					552, 2021 Acts of Assembly, Special	
33					Session I, Item C-69 of the 2022	
34					Amendments to the 2021 Appropriation Act,	
35					and Item C- 79 of this act.	
36	18540	2021 Capital Construction Pool			Item C-68.50 of Chapter 552, 2021 Acts of	
37					Assembly, Special Session I.	
38	18586	2022 Public Educational Institution Capital			Item C-75 of this act.	
39		Account				
40	18587	2022 State Agency Capital Account			Item C-76 of this act.	

41 *P. On or before June 30, 2024, the Director, Department of Planning and Budget shall revert general fund appropriation from the*  
 42 *following capital project in the amount shown.*

43	<b>Agency</b>	<b>Project Title/Number</b>	<b>Amount</b>
44	Virginia Port Authority (407)	Dredging Projects (18653)	\$5,000,000

45 **EXECUTIVE DEPARTMENT**

46 **OFFICE OF ADMINISTRATION**

47 C-1. Not set out.

48 C-2. Not set out.

49 C-2.20 Not set out.

50 C-2.30 Not set out.

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1	C-2.40	Not set out.				
2	C-2.50	Not set out.				
3	C-2.80	Not set out.				
4		TOTAL FOR OFFICE OF ADMINISTRATION....			\$52,959,000	\$21,039,000
5		Fund Sources: General.....	\$52,959,000	\$21,039,000		
6		<b>OFFICE OF AGRICULTURE AND FORESTRY</b>				
7		<b>§ 2-1. DEPARTMENT OF FORESTRY (411)</b>				
8	C-3.	Not set out.				
9	C-3.10	Not set out.				
10	C-4.	Not set out.				
11	C-4.10	<i>Acquisition: Acquire Charlotte State Forest</i>				
12		<i>Tharpe Tract (18671).....</i>			\$0	\$740,000
13		<i>Fund Sources: Special.....</i>	\$0	\$70,000		
14		<i>Dedicated Special Revenue.....</i>	\$0	\$190,000		
15		<i>Federal Trust.....</i>	\$0	\$480,000		
16		Total for Department of Forestry.....			\$4,360,000	\$0
17						\$740,000
18		Fund Sources: General.....	\$2,500,000	\$0		
19		<i>Special.....</i>	\$0	\$70,000		
20		Dedicated Special Revenue.....	\$1,860,000	\$0		
21				\$190,000		
22		<i>Federal Trust.....</i>	\$0	\$480,000		
23		TOTAL FOR OFFICE OF AGRICULTURE AND				
24		FORESTRY .....			\$4,360,000	\$0
25						\$740,000
26		Fund Sources: General.....	\$2,500,000	\$0		
27		<i>Special.....</i>	\$0	\$70,000		
28		Dedicated Special Revenue.....	\$1,860,000	\$0		
29				\$190,000		
30		<i>Federal Trust.....</i>	\$0	\$480,000		
31		<b>OFFICE OF EDUCATION</b>				
32	C-5.	Not set out.				
33	C-6.	Not set out.				
34	C-6.50	Not set out.				
35	C-7.	Not set out.				
36	C-8.	Not set out.				
37	C-9.	Not set out.				

ITEM C-10.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	C-10.	Not set out.				
2	C-11.	Not set out.				
3	C-12.	Not set out.				
4	C-13.	Not set out.				
5	C-14.	Not set out.				
6	C-15.	Not set out.				
7	C-15.5	Not set out.				
8	C-15.60	Not set out.				
9	C-15.70	Not set out.				
10	C-16.	Not set out.				
11	C-17.	Not set out.				
12	C-18.	Not set out.				
13	C-18.50	Not set out.				
14	C-19.	Not set out.				
15	C-19.80	Not set out.				
16	C-20.	Not set out.				
17	C-21.	Not set out.				
18	C-22.	Not set out.				
19	C-22.10	Not set out.				
20	C-23.	Not set out.				
21	C-24.	Not set out.				
22	C-24.50	Not set out.				
23	C-24.70	Not set out.				
24	C-25.	Not set out.				
25	C-25.10	Not set out.				
26	C-26.	Not set out.				
27	C-27.	Not set out.				
28	C-28.	Not set out.				



ITEM C-28.50.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	C-28.50	Not set out.				
2	C-29.	Not set out.				
3	C-30.	Not set out.				
4	C-31.	Not set out.				
5	C-32.	Not set out.				
6	C-33.	Not set out.				
7	C-33.50	Not set out.				
8	C-34.	Not set out.				
9	C-34.50	Not set out.				
10	C-35.	Not set out.				
11	C-36.	Not set out.				
12	C-36.50	Not set out.				
13	TOTAL FOR OFFICE OF EDUCATION.....				\$365,420,715	\$147,438,130
14	Fund Sources: General.....		\$168,851,536	\$26,506,002		
15	Higher Education Operating.....		\$39,273,179	\$57,312,128		
16	Bond Proceeds.....		\$157,296,000	\$63,620,000		
17	OFFICE OF HEALTH AND HUMAN RESOURCES					
18	C-37.	Not set out.				
19	C-38.	Not set out.				
20	C-39.	Not set out.				
21	TOTAL FOR OFFICE OF HEALTH AND					
22	HUMAN RESOURCES.....				\$0	\$0
23	NATURAL AND HISTORIC RESOURCES					
24	C-40.	Not set out.				
25	C-41.	Not set out.				
26	C-42.	Not set out.				
27	C-42.10	Not set out.				
28	C-43.	Not set out.				
29	C-44.	Not set out.				
30	C-45.	Not set out.				

ITEM C-46.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	C-46.	Not set out.				
2	C-47.	Not set out.				
3	C-48.	Not set out.				
4	C-49.	Not set out.				
5	C-50.	Not set out.				
6	C-51.	Not set out.				
7	C-51.10	Not set out.				
8	C-52.	Not set out.				
9	C-52.10	Not set out.				
10	C-52.20	Not set out.				
11	C-52.30	Not set out.				
12	C-52.40	Not set out.				
13	C-52.50	Not set out.				
14	TOTAL FOR NATURAL AND HISTORIC					
15	RESOURCES.....				\$153,321,350	\$10,750,000
16	Fund Sources: General.....		\$141,071,350	\$0		
17	Special.....		\$1,500,000	\$0		
18	Dedicated Special Revenue.....		\$3,750,000	\$3,750,000		
19	Federal Trust.....		\$7,000,000	\$7,000,000		
20	OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY					
21	C-53.	Not set out.				
22	C-54.	Not set out.				
23	C-55.	Not set out.				
24	C-56.	Not set out.				
25	TOTAL FOR OFFICE OF PUBLIC SAFETY AND					
26	HOMELAND SECURITY.....				\$22,475,530	\$0
27	Fund Sources: General.....		\$22,475,530	\$0		
28	OFFICE OF TRANSPORTATION					
29	C-57.	Not set out.				
30	C-58.	Not set out.				
31	C-59.	Not set out.				

ITEM C-60.			Item Details(\$)		Appropriations(\$)	
			First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	C-60.	Not set out.				
2	C-61.	Not set out.				
3	C-62.	Not set out.				
4	C-63.	Not set out.				
5	C-64.	Not set out.				
6	C-65.	Not set out.				
7	C-66.	Not set out.				
8	C-66.1	Not set out.				
9	TOTAL FOR OFFICE OF TRANSPORTATION...				\$931,000,000	\$217,500,000
10	Fund Sources: General.....		\$271,000,000	\$0		
11	Special.....		\$452,000,000	\$150,000,000		
12	Commonwealth Transportation.....		\$208,000,000	\$67,500,000		
13	<b>OFFICE OF VETERANS AND DEFENSE AFFAIRS</b>					
14	C-67.	Not set out.				
15	C-68.	Not set out.				
16	C-69.	Not set out.				
17	C-69.50	Not set out.				
18	C-70.	Not set out.				
19	C-70.50	Not set out.				
20	C-71.	Not set out.				
21	TOTAL FOR OFFICE OF VETERANS AND					
22	DEFENSE AFFAIRS.....				\$35,294,503	\$126,788,000
23	Fund Sources: General.....		\$9,706,461	\$0		
24	Federal Trust.....		\$25,588,042	\$126,788,000		
25	<b>CENTRAL APPROPRIATIONS</b>					
26	<b>§ 2-2. CENTRAL CAPITAL OUTLAY (949)</b>					
27	C-72.	Not set out.				
28	C-73.	Not set out.				
29	C-74.	Not set out.				
30	C-75.	Not set out.				
31	C-76.	Not set out.				

ITEM C-77.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	C-77.	Comprehensive Capital Outlay Program (18049).....		\$3,400,000	\$0
2		Fund Sources: General.....		\$3,400,000	\$0
3		Included in this Item is \$3,400,000 from the general fund as a supplement to the Virginia State University project "Water Storage Tank and Campus Water Distribution Piping and Campus Water Sewer Upgrades (18059)" previously authorized in Item C-39.40, Chapter 806, 2013 Acts of Assembly, as "Water Storage Tank and Campus Water Distribution Piping" and amended in Item C-39.40, Chapter 1, 2014 Acts of Assembly, Special Session I, in order to complete the final elements of this project. <i>This project shall be considered a standalone umbrella project and shall no longer be subject to the pool process. Any funds appropriated in this Item and originally assumed for this project in Central Capital Outlay shall be transferred to the project and used to complete work under the original legislatively authorized scope to the extent that funding is available.</i>			
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13	C-78.	Not set out.			
14	C-78.50	Not set out.			
15	C-79.	Not set out.			
16	C-79.10	Not set out.			
17	C-79.50	Not set out.			
18	C-80.	Not set out.			
19	C-80.50	Not set out.			
20	C-81.	Not set out.			
21	C-82.	Not set out.			
22	C-83.	Not set out.			
23		Total for Central Capital Outlay.....		\$1,418,481,611	\$399,312,463
24		Fund Sources: General.....		\$1,389,215,611	\$355,115,200
25		Higher Education Operating.....		\$29,266,000	\$8,050,000
26		Federal Trust.....		\$0	\$1,347,263
27		Bond Proceeds.....		\$0	\$34,800,000
28	C-84.	Not set out.			
29	C-85.	Not set out.			
30		TOTAL FOR CENTRAL APPROPRIATIONS.....		\$1,418,481,611	\$399,312,463
31		Fund Sources: General.....		\$1,389,215,611	\$355,115,200
32		Higher Education Operating.....		\$29,266,000	\$8,050,000
33		Federal Trust.....		\$0	\$1,347,263
34		Bond Proceeds.....		\$0	\$34,800,000
35		TOTAL FOR EXECUTIVE DEPARTMENT.....		\$2,983,312,709	\$922,827,593
36					\$923,567,593
37		Fund Sources: General.....		\$2,057,779,488	\$402,660,202
38		Special.....		\$453,500,000	<del>\$150,000,000</del>
39					\$150,070,000
40		Higher Education Operating.....		\$68,539,179	\$65,362,128
41		Commonwealth Transportation.....		\$208,000,000	\$67,500,000

ITEM C-85.		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
1	Dedicated Special Revenue.....	\$5,610,000	\$3,750,000		
2			\$3,940,000		
3	Federal Trust.....	\$32,588,042	\$135,135,263		
4			\$135,615,263		
5	Bond Proceeds.....	\$157,296,000	\$98,420,000		
6	<b>INDEPENDENT AGENCIES</b>				
7	C-86. Not set out.				
8	TOTAL FOR INDEPENDENT AGENCIES.....			\$1,200,000	\$0
9	Fund Sources: Dedicated Special Revenue.....	\$1,200,000	\$0		
10	TOTAL FOR PART 2: CAPITAL PROJECT				
11	EXPENSES.....			\$2,984,512,709	\$922,827,593
12					\$923,567,593
13	Fund Sources: General.....	\$2,057,779,488	\$402,660,202		
14	Special.....	\$453,500,000	\$150,000,000		
15			\$150,070,000		
16	Higher Education Operating.....	\$68,539,179	\$65,362,128		
17	Commonwealth Transportation.....	\$208,000,000	\$67,500,000		
18	Dedicated Special Revenue.....	\$6,810,000	\$3,750,000		
19			\$3,940,000		
20	Federal Trust.....	\$32,588,042	\$135,135,263		
21			\$135,615,263		
22	Bond Proceeds.....	\$157,296,000	\$98,420,000		

**PART 3: MISCELLANEOUS****§ 3-1.00 TRANSFERS****§ 3-1.01 INTERFUND TRANSFERS**

A.1. In order to reimburse the general fund of the state treasury for expenses herein authorized to be paid therefrom on account of the activities listed below, the State Comptroller shall transfer the sums stated below to the general fund from the nongeneral funds specified, except as noted, on January 1 of each year of the current biennium. Transfers from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of the quarter. The payment for the fourth quarter of each fiscal year shall be made in the month of June.

	<b>FY 2023</b>	<b>FY 2024</b>
1. Alcoholic Beverage Control Enterprise Fund (§ 4.1-116, Code of Virginia)		
a) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies (from Alcoholic Beverage Control gross profits)	\$65,375,769	\$65,375,769
b) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies (from gross wine liter tax collections as specified in § 4.1-234, Code of Virginia)	\$9,141,363	\$9,141,363
2. Forest Products Tax Fund (§ 58.1-1609, Code of Virginia)	\$23,613	\$23,613
For collection by Department of Taxation		
3. Peanut Fund (§3.2-1906, Code of Virginia)	\$2,419	\$2,419
4. For collection by Department of Taxation		
a) Aircraft Sales & Use Tax (§ 58.1-1509, Code of Virginia)	\$39,169	\$39,169
b) Soft Drink Excise Tax	\$1,596	\$1,596
c) Virginia Litter Tax	\$9,472	\$9,472
5. Proceeds of the Tax on Motor Vehicle Fuels		
For inspection of gasoline, diesel fuel and motor oils	\$97,586	\$97,586
6. Virginia Retirement System (Trust and Agency)		
For postage by the Department of the Treasury	\$34,500	\$34,500
7. Alcoholic Beverage Control Authority (Enterprise)		
For services by the:		
a) Auditor of Public Accounts	\$75,521	\$75,521
b) Department of Accounts	\$64,607	\$64,607
c) Department of the Treasury	\$47,628	\$47,628
<b>TOTAL</b>	<b>\$74,913,243</b>	<b>\$74,913,243</b>

2.a. Transfers of net profits from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of each quarter. The transfer of fourth quarter profits shall be estimated and made in the month of June. In the event actual net profits are less than the estimate transferred in June, the difference shall be deducted from the net profits of the next quarter and the resulting sum transferred to the general fund. Distributions to localities shall be made within fifty (50) days of the close of each quarter. Net profits are estimated at \$112,082,813 the first year and ~~\$153,560,429~~\$174,069,911 the second year.

b. Notwithstanding the provisions of § 4.1-116 B, Code of Virginia, the Alcoholic Beverage Control Authority shall properly record the depreciation of all depreciable assets, including approved projects, property, plant and equipment. The State Comptroller shall be notified of the amount of depreciation costs recorded by the Alcoholic Beverage Control Authority. However, such depreciation costs shall not be the basis for reducing the quarterly transfers needed to meet the estimated profits contained in this act.

B.1. If any transfer to the general fund required by any subsections of §§ 3-1.01 through 3-6.04 is subsequently determined to be in violation of any federal statute or regulation, or Virginia constitutional requirement, the State Comptroller is hereby directed to reverse such transfer and to return such funds to the affected nongeneral fund account.

2. There is hereby appropriated from the applicable funds such amounts as are required to be refunded to the federal government for mutually agreeable resolution of internal service fund over-recoveries as identified by the U. S. Department of Health and Human Services' review of the annual Statewide Indirect Cost Allocation Plans.

C. In order to fund such projects for improvement of the Chesapeake Bay and its tributaries as provided in § 58.1-2289 D, Code of Virginia, there is hereby transferred to the general fund of the state treasury the amounts listed below. From these amounts \$2,583,531 the first year and \$2,583,531 the second year shall be deposited to the Virginia Water Quality Improvement Fund pursuant to § 10.1-2128.1, Code of Virginia, and designated for deposit to the reserve fund, for ongoing improvements of the Chesapeake Bay and its tributaries. The Department of Motor Vehicles shall be responsible for effecting the provisions of this paragraph. The amounts listed below shall be transferred on June 30 of each fiscal year.

154	Department of Motor Vehicles	\$10,000,000	\$10,000,000
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D. The provisions of Chapter 6 of Title 58.1, Code of Virginia notwithstanding, the State Comptroller shall transfer to the general fund from the special fund titled "Collections of Local Sales Taxes" a proportionate share of the costs attributable to increased local sales and use tax compliance efforts, the Property Tax Unit, and State Land Evaluation Advisory Committee (SLEAC) services by the Department of Taxation estimated at \$6,039,405 the first year and ~~\$6,039,405~~\$6,130,902 the second year.

E. The State Comptroller shall transfer to the general fund from the Transportation Trust Fund a proportionate share of the costs attributable to increased sales and use tax compliance efforts and revenue forecasting for the Commonwealth Transportation Fund by the Department of Taxation estimated at \$2,907,380 the first year and ~~\$2,907,380~~\$2,975,828 the second year.

F.1. On or before June 30 of each year, the State Comptroller shall transfer \$9,314,242 the first year and \$9,314,242 the second year to the general fund the following amounts from the agencies and fund sources listed below, for expenses incurred by central service agencies:

Agency Name	Fund Group	FY 2023	FY 2024
Administration of Health Insurance (149)	0500	\$513,704	\$513,704
Department of Forestry (411)	0900	\$4,902	\$4,902
Department of Small Business and Supplier Diversity (350)	0200	\$6,249	\$6,249
Virginia Museum of Fine Arts (238)	0200	\$15,041	\$15,041
Virginia Museum of Fine Arts (238)	0500	\$13,651	\$13,651
Board of Accountancy (226)	0900	\$11,983	\$11,983

1	Department for Aging	0200	\$30,313	\$30,313
2	and Rehabilitative			
3	Services (262)			
4	Department for the Deaf	0200	\$8,344	\$8,344
5	and Hard of Hearing			
6	(751)			
7	Department of Behavioral	0200	\$81,022	\$81,022
8	Health and			
9	Developmental Services			
10	(720)			
11	Department of Health	0900	\$79,883	\$79,883
12	(601)			
13	Virginia Foundation for	0900	\$17,201	\$17,201
14	Healthy Youth (852)			
15	State Corporation	0900	\$2,745	\$2,745
16	Commission (171)			
17	Virginia College Savings	0500	\$292,414	\$292,414
18	Plan (174)			
19	Board of Bar Examiners	0200	\$109	\$109
20	(233)			
21	Supreme Court (111)	0900	\$354,019	\$354,019
22	Department of	0200	\$4,415	\$4,415
23	Professional and			
24	Occupational Regulations			
25	(222)			
26	Department of	0900	\$65,932	\$65,932
27	Conservation and			
28	Recreation (199)			
29	Department of Wildlife	0900	\$117,607	\$117,607
30	Resources (403)			
31	Department of Criminal	0200	\$23,378	\$23,378
32	Justice Services (140)			
33	Department of Fire	0200	\$84,660	\$84,660
34	Programs (960)			
35	Division of Community	0900	\$16,233	\$16,233
36	Corrections (767)			
37	Department of Aviation	0400	\$79,561	\$79,561
38	(841)			
39	Department of Motor	0400	\$3,878,102	\$3,878,102
40	Vehicles (154)			
41	Department of Rail and	0400	\$587,577	\$587,577
42	Public Transportation			
43	(505)			
44	Department of	0400	\$2,721,175	\$2,721,175



1	Transportation (501)			
2	Motor Vehicle Dealer	0200	\$17,152	\$17,152
3	Board (506)			
4	Virginia Passenger Rail	0400	\$46,094	\$46,094
5	Authority (522)			
6	Virginia Port Authority	0200	\$173,531	\$173,531
7	(407)			
8	Virginia Port Authority	0400	\$67,245	\$67,245
9	(407)			
10			<b>\$9,314,242</b>	<b>\$9,314,242</b>

11 2. Following the transfers authorized in paragraph F.1. of this section in the each year, the State Comptroller shall transfer  
 12 \$2,787,795 each year back to the Department of Motor Vehicles to replace the anticipated loss of driving privilege  
 13 reinstatement fee revenue.

14 G.1. The State Comptroller shall transfer to the Lottery Proceeds Fund established pursuant to § 58.1-4022.1, Code of Virginia,  
 15 an amount estimated at \$784,671,715 the first year and ~~\$850,842,423~~ \$944,668,276 the second year, from the Virginia Lottery  
 16 Fund. The transfer each year shall be made in two parts: (1) on or before January 1 of each year, the State Comptroller shall  
 17 transfer from the Virginia Lottery Fund the estimated profits generated for the first five months of the fiscal year and (2)  
 18 thereafter, the transfer of estimated profits will be made on a monthly basis, or until the amount estimated at \$784,671,715 the  
 19 first year and ~~\$850,842,423~~ \$944,668,276 the second year has been transferred to the Lottery Proceeds Fund. The final annual  
 20 transfer of profits necessary to reach the annual estimate noted in this section, not to exceed the amounts estimated in this  
 21 paragraph, shall be initiated no later than June 20 of each year, so that the estimated profits can be transferred to the Lottery  
 22 Proceeds Fund prior to June 22.

23 2. No later than 10 days after receipt of the annual audit report required by § 58.1-4022.1, Code of Virginia, the State  
 24 Comptroller shall transfer to the Lottery Proceeds Fund the remaining audited balances of the Virginia Lottery Fund profits for  
 25 the prior fiscal year. If such annual audit discloses that the actual revenue was less than the total transfer of estimated profits for  
 26 the year, the State Comptroller shall adjust the next transfer from the Virginia Lottery Fund to account for the difference  
 27 between the actual revenue and the estimate transferred to the Lottery Proceeds Fund. The State Comptroller shall take all  
 28 actions necessary to effect the transfers required by this paragraph, notwithstanding the provisions of § 58.1-4022, Code of  
 29 Virginia. In preparing the Comprehensive Annual Financial Report, the State Comptroller shall report the Lottery Proceeds  
 30 Fund as specified in § 58.1-4022.1, Code of Virginia.

31 H.1. The State Treasurer is authorized to charge up to 20 basis points for each nongeneral fund account which he manages and  
 32 which receives investment income. The assessed fees, which are estimated to generate \$3,000,000 the first year and \$3,000,000  
 33 the second year, will be based on a sliding fee structure as determined by the State Treasurer. The amounts shall be paid into  
 34 the general fund of the state treasury.

35 2.a. The State Treasurer is authorized to charge institutions of higher education participating in the pooled bond program of the  
 36 Virginia College Building Authority an administrative fee of up to 10 basis points of the amount financed for each project in  
 37 addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected from the public  
 38 institutions of higher education, which are estimated to generate \$100,000 the first year and \$100,000 the second year, shall be  
 39 paid into the general fund of the state treasury.

40 3. The State Treasurer is authorized to charge agencies, institutions and all other entities that utilize alternative financing  
 41 structures and require Treasury Board approval, including capital lease arrangements, up to 10 basis points of the amount  
 42 financed in addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected shall be  
 43 paid into the general fund of the state treasury.

44 4. The State Treasurer is authorized to charge projects financed under Article X, Section 9(c) of the Constitution of Virginia, an  
 45 administrative fee of up to 10 basis points of the amount financed for each project in addition to a share of direct costs of  
 46 issuance as determined by the State Treasurer. Such amounts collected are estimated to generate \$50,000 the first year and  
 47 \$50,000 the second year, and shall be paid into the general fund of the state treasury.

48 I. The State Comptroller shall transfer to the general fund of the state treasury 50 percent of the annual reimbursement received  
 49 from the Manville Property Damage Settlement Trust for the cost of asbestos abatement at state-owned facilities. The balance  
 50 of the reimbursement shall be transferred to the state agencies that incurred the expense of the asbestos abatement.

51 J.1. The State Comptroller shall transfer to the general fund from the Revenue Stabilization Fund in the state treasury any  
 52 amounts in excess of the limitation specified in § 2.2-1829, Code of Virginia if applicable and pursuant to Item 267 of this act.

2. *The State Comptroller shall transfer to the general fund from the Revenue Reserve Fund in the state treasury any amounts in excess of the limitations specified in §§ 2.2-1829 and 2.2-1831.3, Code of Virginia if applicable and pursuant to Item 267 of this act.*

K.1. Not later than 30 days after the close of each quarter during the biennium, the State Comptroller shall transfer, notwithstanding the allotment specified in § 58.1-1410, Code of Virginia, funds collected pursuant to § 58.1-1402, Code of Virginia, from the general fund to the Game Protection Fund. This transfer shall not exceed \$7,300,000 the first year and \$7,300,000 the second year.

2. Notwithstanding the provisions of subparagraph K.1. above, the Governor may, at his discretion, direct the State Comptroller to transfer to the Game Protection Fund, any funds collected pursuant to § 58.1-1402, Code of Virginia, that are in excess of the official revenue forecast for such collections.

L.1. On or before June 30 each year, the State Comptroller shall transfer from the general fund to the Family Access to Medical Insurance Security Plan Trust Fund the amount required by § 32.1-352, Code of Virginia. This transfer shall not exceed \$14,065,627 the first year and \$14,065,627 the second year. The State Comptroller shall transfer 90 percent of the yearly estimated amounts to the Trust Fund on July 15 of each year.

2. Notwithstanding any other provision of law, interest earnings shall not be allocated to the Family Access to Medical Insurance Security Plan Trust Fund (agency code 602, fund detail 0903) in either the first year or the second year of the biennium.

M. Not later than thirty days after the close of each quarter during the biennium, the State Comptroller shall transfer to the Game Protection Fund the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia. Notwithstanding § 58.1-638 E, this transfer shall not exceed \$11,500,000 the first year and \$11,500,000 the second year. Notwithstanding § 58.1-638 E, on or before June 30 of the first year and June 30 of the second year, the State Comptroller shall transfer to the Virginia Port Authority \$4,000,000 on or before June 30 of the first year and \$4,000,000 on or before June 30 of the second year of the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia, to enhance and improve recreation opportunities for boaters, including but not limited to land acquisition, capital projects, maintenance, and facilities for boating access to the waters of the Commonwealth pursuant to the provisions of Senate Bill 693, 2018 Session of the General Assembly.

N.1. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Indemnification and Community Revitalization Fund to the general fund an amount estimated at \$244,268 the first year and \$244,268 the second year. This amount represents the Tobacco Region Revitalization Commission's 50 percent proportional share of the Office of the Attorney General's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.2-4201, Code of Virginia.

2. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Settlement Fund to the general fund an amount estimated at \$48,854 the first year and \$48,854 the second year. This amount represents the Tobacco Settlement Foundation's ten percent proportional share of the Office of the Attorney General's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.2-4201, Code of Virginia.

O. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$2,400,000 the first year and \$2,400,000 the second year from the Court Debt Collection Program Fund at the Department of Taxation.

P. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$7,400,000 the first year and \$7,400,000 the second year from the Department of Motor Vehicles' Uninsured Motorists Fund. These amounts shall be from the share that would otherwise have been transferred to the State Corporation Commission.

Q. On or before June 30 each year, the State Comptroller shall transfer an amount estimated at \$5,000,000 the first year and an amount estimated at \$5,000,000 the second year to the general fund from the Intensified Drug Enforcement Jurisdictions Fund at the Department of Criminal Justice Services.

R. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$3,864,585 the first year and \$3,864,585 the second year from operating efficiencies to be implemented by the Alcoholic Beverage Control Authority.

S. On or before June 30 each year, the State Comptroller shall transfer \$466,600 the first year and \$466,600 the second year to the general fund from the Land Preservation Fund (Fund 0216) at the Department of Taxation.

T. Unless prohibited by federal law or regulation or by the Constitution of Virginia and notwithstanding any contrary provision of state law, on June 30 of each fiscal year, the State Comptroller shall transfer to the general fund of the state treasury the cash balance from any nongeneral fund account that has a cash balance of less than \$100. This provision shall not apply to institutions of higher education, bond proceeds, or trust accounts. The State Comptroller shall consult with the Director of the Department of Planning and Budget in implementing this provision and, for just cause, shall have discretion to exclude certain balances from this transfer or to restore certain balances that have been transferred.

U.1. The Brunswick Correctional Center operated by the Department of Corrections shall be sold. The Commonwealth may enter into negotiations with (1) the Virginia Tobacco Region Revitalization Commission, (2) regional local governments, and (3) regional industrial development authorities for the purchase of this property as an economic development site.

2. Notwithstanding the provisions of § 2.2-1156, Code of Virginia or any other provisions of law, the proceeds of the sale of the Brunswick Correctional Center shall be paid into the general fund.

V. On a monthly basis, in the month subsequent to collection, the State Comptroller shall transfer all amounts collected for the fund created pursuant to § 17.1-275.12 of the Code of Virginia, to Items 345, 408, and 430 of this act, for the purposes enumerated in Section 17.1-275.12.

W. On or before June 30 ~~each year~~, the State Comptroller shall transfer \$12,518,587 the first year ~~and \$12,518,587 the second year~~ to the general fund from the \$2.00 increase in the annual vehicle registration fee from the special emergency medical services fund contained in the Department of Health's Emergency Medical Services Program (40200).

X. The provisions of Chapter 6.2, Title 58.1, Code of Virginia, notwithstanding, on or before June 30 each year the State Comptroller shall transfer to the general fund from the proceeds of the Virginia Communications Sales and Use Tax (fund 0926), the Department of Taxation's indirect costs of administering this tax estimated at \$90,780 the first year and \$90,780 the second year.

Y. Any amount designated by the State Comptroller from the June 30, 2022, or June 30, 2023, general fund balance for transportation pursuant to § 2.2-1514B., Code of Virginia, is hereby appropriated.

Z. On or before June 30, of each fiscal year, the State Comptroller shall transfer to the State Health Insurance Fund (Fund 06200) the balance from the Administration of Health Benefits Services Fund (Fund 06220) at the Department of Human Resource Management.

AA. The Department of General Services is authorized to dispose of the following property currently owned by the Department of Corrections in the manner it deems to be in the best interests of the Commonwealth: Pulaski Correctional Center and White Post Detention and Diversion Center. Such disposal may include sale or transfer to other agencies or to local government entities. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the proceeds from the sale of all or any part of the properties shall be deposited into the general fund.

BB. The State Comptroller shall transfer all revenues collected each year to the general fund from the Firearms Transaction, Concealed Weapons Permit, and Conservator of the Peace Programs at the Department of State Police.

CC. On or before June 30, of each fiscal year, the State Comptroller shall transfer to the Health Insurance Fund - Local (Fund 05200) at the Administration of Health Insurance the balance from the Administration of Local Benefits Services Fund (Fund 05220) at the Department of Human Resource Management.

DD. On or before June 30, of each fiscal year, the State Comptroller shall transfer to the Line of Duty Death and Health Benefits Trust Fund (Fund 07420) at the Administration of Health Insurance the balance from the Administration of Health Benefits Payment - LODA Fund (Fund 07422) at the Department of Human Resource Management.

EE. On or before June 30, of each fiscal year, the State Comptroller shall transfer \$154,743 from Special Funds of the Department of Behavioral Health and Developmental Services (720) to Special Funds at the Office of the State Inspector General (147).

FF. On or before June 30 of each fiscal year, the State Comptroller shall transfer to the general fund the portion of the balances of the Disaster Recovery Fund (Fund 02460) and Covid-19 Addtl State Funding (Fund 02019) at the Virginia Department of Emergency Management that was received as a federal cost recovery. The amounts transferred represent repayment of the sum sufficient fund originally appropriated for federally-declared emergencies. The Department of Emergency Management shall report to the State Comptroller the amount of the balance to be transferred by June 1 of each year.

GG. Notwithstanding the provisions of subsection A of § 58.1-662, Code of Virginia, and in addition to clause (i) and (ii) of that subsection, monies in the Communications Sales and Use Tax Trust Fund shall not be allocated to the Commonwealth's counties, cities, and towns until after an amount equal to \$2,000,000 the first year is allocated to the general fund. The State Comptroller shall deposit to the general fund \$2,000,000 on or before June 30, the first year and an additional \$2,000,000 on or before June 30, the second year from the revenues received from the Communications Sales and Use Tax.

HH. The transfer of excess amounts in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund to the general fund pursuant to Item 63 of this act is estimated at \$500,000 the first year and \$500,000 the second year.

II. No later than July 31, 2022, the State Comptroller shall execute a one-time transfer totaling \$25.0 million from the unobligated balances of the Community Flood Preparedness Fund (09037) to the Resilient Virginia Revolving Loan Fund, established pursuant to § 10.1-603.29, Code of Virginia.

JJ. The Virginia Department of Agriculture and Consumer Services (VDACS) is authorized to transfer the Eastern Shore Farmers Market, including the Market Office Building at 18491 Garey Road and the Produce Warehouse at 18513 Garey Road, Melfa, Virginia 23410, and the Seafood Market Building located at 18555 Garey Road, Melfa, Virginia 23410 for no consideration to the Industrial Authority of Accomack County (IAAC) subject to an appropriation being made satisfactory to

the Virginia Department of Treasury for the remediation of tax-advantaged bonds that financed the construction, improvement and equipping of such facilities. VDACS is further authorized to grant any and all easements necessary to complete the conveyance. IAAC will be responsible for all transaction expenses associated with the transfer.

KK. On or before June 30, 2024, the State Comptroller shall transfer to the general fund an amount estimated at \$1,000,000 from the Virginia Bioscience Health Research Corporation.

LL. On or before June 30, 2024, the State Comptroller shall transfer to the general fund an estimated \$18,934 in nongeneral fund cash balances remaining for two legislative commissions that have concluded and for which remaining funds cannot be otherwise used. While total amounts remaining for these funds are authorized for transfer, specific amounts estimated include: (i) an amount estimated at \$18,745 in balances for defunct agency 867, Virginia Bicentennial of the American War of 1812 Commission, and (ii) an amount estimated at \$189 for defunct agency 872, Virginia World War I and World War II Commemoration Commission.

MM. On or before June 30, 2024, the State Comptroller shall transfer to the general fund an amount estimated at \$250,000 from the special fund balances of the Commission on the Virginia Alcohol Safety Action Program.

NN. On or before June 30, 2024, the State Comptroller shall transfer \$4,929,426 to the general fund from the Covered Institution Interest Escrow Fund (fund 03220) from agencies in the amounts listed below:

The College of William and Mary (204)	\$506,035
University of Virginia (207)	\$2,227,936
University of Virginia's College at Wise (246)	\$14,861
Virginia Commonwealth University (236)	\$743,044
Virginia Polytechnic Institute and State University (208)	\$1,437,550

*OO. As required by § 4-1.05 b. of Chapter 1, 2023 Acts of Assembly, Special Session I, \$31,152 in various inactive nongeneral fund accounts were reverted by the State Comptroller to the general fund in the second year.*

*PP. Notwithstanding any other provision of law, on or before June 30, of the second year, the State Comptroller shall transfer all remaining balances, estimated at \$41,800,000, to the general fund from the 2023 Individual Income Tax Rebate Fund established pursuant to Item 3-5.28 of Chapter 1, 2023 Acts of Assembly, Special Session I.*

#### § 3-1.02 INTERAGENCY TRANSFERS

The Virginia Department of Transportation shall transfer, from motor fuel tax revenues, \$388,254 the first year and \$388,254 the second year to the Department of General Services for motor fuels testing.

#### § 3-1.03 SHORT-TERM ADVANCE TO THE GENERAL FUND FROM NONGENERAL FUNDS

A. To meet the occasional short-term cash needs of the general fund during the course of the year when cumulative year-to-date disbursements exceed temporarily cumulative year-to-date revenue collections, the State Comptroller is authorized to draw cash temporarily from nongeneral fund cash balances deemed to be available, although special dedicated funds related to commodity boards are exempt from this provision. Such cash drawdowns shall be limited to the amounts immediately required by the general fund to meet disbursements made in pursuance of an authorized appropriation. However, the amount of the cash drawdown from any particular nongeneral fund shall be limited to the excess of the cash balance of such fund over the amount otherwise necessary to meet the short-term disbursement requirements of that nongeneral fund. The State Comptroller will ensure that those funds will be replenished in the normal course of business.

B. In the event that nongeneral funds are not sufficient to compensate for the operating cash needs of the general fund, the State Treasurer is authorized to borrow, temporarily, required funds from cash balances within the Transportation Trust Fund, where such trust fund balances, based upon assessments provided by the Commonwealth Transportation Commissioner, are not otherwise needed to meet the short-term disbursement needs of the Transportation Trust Fund, including any debt service and debt coverage needs, over the life of the borrowing. In addition, the State Treasurer shall ensure that such borrowings are consistent with the terms and conditions of all bond documents, if any, that are relevant to the Transportation Trust Fund.

C. The Secretary of Finance, the State Treasurer and the Commonwealth Transportation Commissioner shall jointly agree on the amounts of such interfund borrowings. Such borrowed amounts shall be repaid to the Transportation Trust Fund at the earliest practical time when they are no longer needed to meet short-term cash needs of the general fund, provided, however, that such borrowed amounts shall be repaid within the biennium in which they are borrowed. Interest shall accrue daily at the rate per annum equal to the then current one-year United States Treasury Obligation Note rate.

D. Any temporary loan shall be evidenced by a loan certificate duly executed by the State Treasurer and the Commonwealth Transportation Commissioner specifying the maturity date of such loan and the annual rate of interest. Prepayment of temporary loans shall be without penalty and with interest calculated to such prepayment date. The State Treasurer is authorized to make, at least monthly, interest payments to the Transportation Trust Fund.

**§ 3-2.00 WORKING CAPITAL FUNDS AND LINES OF CREDIT**

**§ 3-2.01 ADVANCES TO WORKING CAPITAL FUNDS**

A. The State Comptroller shall make available to the Virginia Racing Commission, on July 1 of each year, the amount of \$125,000 from the general fund as a temporary cash flow advance, to be repaid by December 30 of each year.

B. The State Comptroller shall provide a Working Capital Advance for up to \$16,000,000 on July 1 of the first year to the Department of Veterans Services to operate the Puller & Cabacoy Veterans Care Centers, to be repaid from revenue generated by the facilities.

**§ 3-2.02 CHARGES AGAINST WORKING CAPITAL FUNDS**

The State Comptroller may periodically charge the appropriation of any state agency for the expenses incurred for services received from any program financed and accounted for by working capital funds. Such charge may be made upon receipt of such documentation as in the opinion of the State Comptroller provides satisfactory evidence of a claim, charge or demand against the appropriations made to any agency. The amounts so charged shall be recorded to the credit of the appropriate working capital fund accounts. In the event any portion of the charge so made shall be disputed, the amount in dispute may be restored to the agency appropriation by direction of the Governor.

**§ 3-2.03 LINES OF CREDIT**

a. The State Comptroller shall provide lines of credit to the following agencies, not to exceed the amounts shown:

Administration of Health Insurance, Health Benefits Services	\$75,000,000
Administration of Health Insurance, Line of Duty Act	\$10,000,000
Department of Accounts, for the Payroll Service Bureau	\$400,000
Department of Accounts, Transfer Payments	\$5,250,000
Alcoholic Beverage Control Authority	\$80,000,000
Department of Corrections, for Virginia Correctional Enterprises	\$1,000,000
Department of Corrections, for Federal Grant Processing	\$1,000,000
Department of Emergency Management, for Hazardous Material Incident Response	\$150,000
Department of Emergency Management, for Federal Grant Processing	\$500,000
Department of Emergency Management, for Next Generation 911 service	\$15,000,000
Department of Environmental Quality	\$5,000,000
Department of Human Resource Management, for the Workers' Compensation Self Insurance Trust Fund	\$10,000,000
Department of Behavioral Health and Developmental Services	\$30,000,000
Department of Medical Assistance Services, for the Virginia Health Care Fund	\$12,000,000
Department of Motor Vehicles	\$30,600,000
Department of the Treasury, for the Unclaimed Property Trust Fund	\$5,000,000
Department of the Treasury, for the State Insurance Reserve Trust Fund	\$25,000,000
Virginia Lottery	\$56,000,000
Virginia Information Technologies Agency	\$165,000,000
Virginia Tobacco Settlement Foundation	\$3,000,000
Department of Historic Resources	\$600,000
Department of Fire Programs	\$30,000,000
Compensation Board	\$8,000,000
Department of Conservation and Recreation	\$4,000,000
Department of Military Affairs, for State Active Duty	\$5,000,000
Department of Military Affairs, for Federal Cooperative Agreements	\$30,000,000
Virginia Parole Board	\$50,000

1	Commonwealth's Attorneys' Services Council	\$200,000
2	Department of State Police, for the Internet Crimes Against	\$3,700,000
3	Children Grant	
4	Department of State Police, for Federal Grant Processing	\$1,500,000
5	Department of Social Services, for timing issues related to the	\$17,000,000
6	receipt of federal grants and other payments	

7 b. The State Comptroller shall execute an agreement with each agency documenting the procedures for the line of credit, including,  
8 but not limited to, applicable interest and the method for the drawdown of funds. The provisions of § 4-3.02 b of this act shall not  
9 apply to these lines of credit.

10 c. The State Comptroller, in conjunction with the Departments of General Services and Planning and Budget, shall establish  
11 guidelines for agencies and institutions to utilize a line of credit to support fixed and one-time costs associated with implementation  
12 of office space consolidation, relocation and/or office space co-location strategies, where such line of credit shall be repaid by the  
13 agency or institution based on the cost savings and efficiencies realized by the agency or institution resulting from the consolidation  
14 and/or relocation. In such cases the terms of office space consolidation or co-location strategies shall be approved by the Secretary of  
15 Administration, in consultation with the Secretary of Finance, as demonstrating cost benefit to the Commonwealth. In no case shall  
16 the advances to an agency or institution exceed \$1,000,000 nor the repayment begin more than one year following the  
17 implementation or extend beyond a repayment period of seven years.

18 d. The State Comptroller is hereby authorized to provide lines of credit of up to \$2,500,000 to the Department of Motor Vehicles and  
19 up to \$2,500,000 to the Department of State Police to be repaid from revenues provided under the federal government's  
20 establishment of Uniform Carrier Registration.

21 e. The Virginia Lottery is hereby authorized to use its line of credit to meet cash flow needs for operations at any time during the  
22 year and to provide cash to the Virginia Lottery Fund to meet the required transfer of estimated lottery profits to the Lottery  
23 Proceeds Fund, as specified in provisions of § 3-1.01G. of this act. The Virginia Lottery shall repay the line of credit as actual cash  
24 flows become available. The Secretary of Finance is authorized to increase the line of credit to the Virginia Lottery if necessary to  
25 meet operating needs.

26 f. The State Comptroller is hereby authorized to provide a line of credit of up to \$5,000,000 to the Department of Military Affairs to  
27 cover the actual costs of responding to State Active Duty. The line of credit will be repaid as the Department of Military Affairs is  
28 reimbursed from federal or other funds, other than Department of Military Affairs funds.

29 g. The Department of Human Resource Management shall repay the local health insurance option program's initial start-up costs,  
30 funded through the line of credit authorized in Chapter 836, 2017 Acts of Assembly, in fiscal years 2017 and 2018, over a period not  
31 to exceed ten years from the health insurance premiums paid by the local health insurance option program's participants.

32 h. The Department of Conservation and Recreation may utilize the line of credit authorized in paragraph a. to continue the  
33 development of the coastal master plan, including use of a consultant to assist in the plan's development. Any funds spent from the  
34 line of credit for this purpose shall be repaid from revenues generated by the Commonwealth's participation in the sale of allowances  
35 through the Regional Greenhouse Gas Initiative and deposited to the Virginia Community Flood Preparedness Fund pursuant to §  
36 [10.1-603.25](#), Code of Virginia.

37 i. The line of credit authorized in paragraph a. for the Virginia Department of Emergency Management, for Next Generation 911  
38 service shall be provided to the 911 Services Board as a temporary cash flow advance. Funds received from the line of credit shall be  
39 used only to support implementation of next generation 911 service and shall be distributed in a manner consistent with § [56-484.17](#)  
40 (D), Code of Virginia. The request for the line of credit shall be prepared in the formats as approved by the Secretary of Finance and  
41 the Secretary of Public Safety and Homeland Security. The Secretary of Finance and the Secretary of Public Safety and Homeland  
42 Security shall approve drawdowns from the Virginia Department of Emergency Management's Next Generation 911 line of credit  
43 prior to the expenditure of funds.

#### 44 § 3-3.00 GENERAL FUND DEPOSITS

##### 45 § 3-3.01 PAYMENT BY THE STATE TREASURER

46 The state Treasurer shall transfer an amount estimated at \$50,000 on or before June 30, 2023 and an amount estimated at \$50,000 on  
47 or before June 30, 2024, to the general fund from excess 9(c) sinking fund balances.

#### 48 § 3-4.00 AUXILIARY ENTERPRISES AND SPONSORED PROGRAMS IN INSTITUTIONS OF HIGHER EDUCATION

##### 49 § 3-4.01 AUXILIARY ENTERPRISE INVESTMENT YIELDS

50 A. 1. The educational and general programs in institutions of higher education shall recover the full indirect cost of auxiliary



enterprise programs as certified by institutions of higher education to the Comptroller subject to annual audit by the Auditor of Public Accounts. The State Comptroller shall credit those institutions meeting the requirement with the interest earned by the investment of funds of their auxiliary enterprise programs.

2. The University of Virginia's College at Wise is authorized to suspend the transfer of the recovery of the full indirect cost of auxiliary enterprise programs to the educational and general program for the 2022-2024 biennium.

B. No interest shall be credited for that portion of the fund's cash balance that represents any outstanding loans due from the State Treasurer. The provisions of this section shall not apply to the capital projects authorized under Items C-36.21 and C-36.40 of Chapter 924, 1997 Acts of Assembly.

### **§ 3-5.00 ADJUSTMENTS AND MODIFICATIONS TO TAX COLLECTIONS**

#### **§ 3-5.01 RETALIATORY COSTS TO OTHER STATES TAX CREDIT**

Notwithstanding any other provision of law, the amount deposited to the Priority Transportation Trust Fund pursuant to § 58.1-2531 shall not be reduced by more than \$266,667 by any refund of the Tax Credit for Retaliatory Costs to Other States available under § 58.1-2510.

#### **§3-5.02 PAYMENT OF AUTO RENTAL TAX TO THE GENERAL FUND**

Notwithstanding the provisions of § 58.1-1741, Code of Virginia, or any other provision of law, all revenues resulting from the fee imposed under subdivision A3 of § 58.1-1736, Code of Virginia, shall be deposited into the general fund after the direct costs of administering the fee are recovered by the Department of Taxation.

#### **§ 3-5.03 IMPLEMENTATION OF CHAPTER 3, ACTS OF ASSEMBLY OF 2004, SPECIAL SESSION I**

Revenues deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 of the Code of Virginia pursuant to enactments of the 2004 Special Session of the General Assembly shall be transferred to the general fund and used to meet the Commonwealth's responsibilities for the Standards of Quality prescribed pursuant to Article VIII, Section 2, of the Constitution of Virginia. The Comptroller shall take all actions necessary to effect such transfers monthly, no later than 10 days following the deposit to the Fund. The amounts transferred shall be distributed to localities as specified in Direct Aid to Public Education's (197), State Education Assistance Programs (17800) of this Act. The estimated amount of such transfers are \$507,300,000 the first year and ~~\$522,000,000~~\$550,898,980 the second year.

#### **§ 3-5.04 RETAIL SALES & USE TAX EXEMPTION FOR INTERNET SERVICE PROVIDERS**

Notwithstanding any other provision of law, for purchases made on or after July 1, 2006, any exemption from the retail sales and use tax applicable to production, distribution, and other equipment used to provide Internet-access services by providers of Internet service, as defined in § 58.1-602, Code of Virginia, shall occur as a refund request to the Tax Commissioner. The Tax Commissioner shall develop procedures for such refunds.

#### **§ 3-5.05 DISPOSITION OF EXCESS FEES COLLECTED BY CLERKS OF THE CIRCUIT COURTS**

Notwithstanding §§ 15.2-540, 15.2-639, 15.2-848, 17.1-285, and any other provision of law general or special, effective July 1, 2009, the Commonwealth shall be entitled to two-thirds of the excess fees collected by the clerks of the circuit courts as required to be reported under § 17.1-283.

#### **§ 3-5.06. Omitted.**

#### **§ 3-5.07 DISCOUNTS AND ALLOWANCES**

A. Notwithstanding any other provision of law, effective beginning with the return for June 2010, due July 2010, the compensation allowed under § 58.1-622, Code of Virginia, shall be suspended for any dealer required to remit the tax levied under §§ 58.1-603 and 58.1-604, Code of Virginia, by electronic funds transfer pursuant to § 58.1-202.1, Code of Virginia, and the compensation available to all other dealers shall be limited to the following percentages of the first three percent of the tax levied under §§ 58.1-603 and 58.1-604, Code of Virginia:

Monthly Taxable Sales	Percentage
\$0 to \$62,500	1.6%
\$62,501 to \$208,000	1.2%
\$208,001 and above	0.8%

B. Notwithstanding any other provision of law, effective beginning with the return for June 2010, due July 2010, the compensation available under §§ 58.1-642, 58.1-656, 58.1-1021.03, and 58.1-1730, Code of Virginia, shall be suspended.

C. Beginning with the return for June 2011, due July 2011, the compensation under § 58.1-1021.03 shall be reinstated.

#### § 3-5.08 SALES TAX COMMITMENT TO HIGHWAY MAINTENANCE AND OPERATING FUND

The sales and use tax revenue for distribution to the Highway Maintenance and Operating Fund shall be consistent with Chapter 766, 2013 Acts of Assembly.

#### § 3-5.09 INTANGIBLE HOLDING COMPANY ADDBACK

Notwithstanding the provisions of § 58.1-402(B)(8), Code of Virginia, for taxable years beginning on and after January 1, 2004:

(i) The exception in § 58.1-402(B)(8)(a)(1) for income that is subject to a tax based on or measured by net income or capital imposed by Virginia, another state, or a foreign government shall be limited to and apply only to the portion of such income received by the related member that owns the intangible property, which portion is attributed to a state or foreign government in which such related member has sufficient nexus to be itself subject to such taxes; and

(ii) The exception in § 58.1-402(B)(8)(a)(2) for a related member deriving at least one-third of its gross revenues from licensing to unrelated parties shall be limited and apply to the portion of such income received by the related member that owns the intangible property and derived from licensing agreements for which the rates and terms are comparable to the rates and terms of agreements that such related member has entered into with unrelated entities.

#### § 3-5.10 REGIONAL FUELS TAX

Funds collected pursuant to § 58.1-2291 et seq., Code of Virginia, from the additional sales tax on fuel in certain transportation districts under § 58.1-2291 et seq., Code of Virginia, shall be returned to the respective commissions in amounts equivalent to the shares collected in the respective member jurisdictions. However, no funds shall be collected pursuant to § 58.1-2291 et seq., Code of Virginia, from levying the additional sales tax on aviation fuel as that term is defined in § 58.1-2201, Code of Virginia.

#### § 3-5.11 DEDUCTION FOR ABLE ACT CONTRIBUTIONS

A. Effective for taxable years beginning on or after January 1, 2016, an individual shall be allowed a deduction from Virginia adjusted gross income as defined in § 58.1-321, Code of Virginia, for the amount contributed during the taxable year to an ABLE savings trust account entered into with the Virginia College Savings Plan pursuant to Chapter 7 ( § 23.1-700 et seq.) of Title 23.1, Code of Virginia. The amount deducted on any individual income tax return in any taxable year shall be limited to \$2,000 per ABLE savings trust account. No deduction shall be allowed pursuant to this section if such contributions are deducted on the contributor's federal income tax return. If the contribution to an ABLE savings trust account exceeds \$2,000 the remainder may be carried forward and subtracted in future taxable years until the ABLE savings trust contribution has been fully deducted; however, in no event shall the amount deducted in any taxable year exceed \$2,000 per ABLE savings trust account.

B. Notwithstanding the statute of limitations on assessments contained in § 58.1-312, Code of Virginia, any deduction taken hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are made for any reason other than (i) to pay qualified disability expenses, as defined in § 529A of the Internal Revenue Code; or (ii) the beneficiary's death.

C. A contributor to an ABLE savings trust account who has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$2,000 per ABLE savings trust account in any taxable year. Such taxpayer shall be allowed a deduction for the full amount contributed to an ABLE savings trust account, less any amounts previously deducted.

D. The Tax Commissioner shall develop guidelines implementing the provisions of this section, including but not limited to the computation, carryover, and recapture of the deduction provided under this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act ( § 2.2-4000 et seq., Code of Virginia).

#### § 3-5.12 RETAIL SALES AND USE TAX EXEMPTION FOR RESEARCH FOR FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS

A. Notwithstanding any other provision of law or regulation, and beginning July 1, 2016 and ending June 30, 2018, the retail sales and use tax exemption provided for in subdivision 5 of § 58.1-609.3 of the Code of Virginia, applicable to tangible personal property purchased or leased for use or consumption directly and exclusively in basic research or research and development in the experimental or laboratory sense, shall apply to such property used in a federally funded research and development center, regardless of whether such property is used by the purchaser, lessee, or another person or entity.

B. Notwithstanding any other provision of law, beginning July 1, 2018, tangible personal property purchased by a federally funded research and development center sponsored by the U.S. Department of Energy shall be exempt from the retail sales and use tax.

C. Nothing in this section shall be construed to relieve any federally funded research and development center of any liability for retail sales and use tax due for the purchase of tangible personal property pursuant to the law in effect at the time of the purchase.

#### § 3-5.13 ADMISSIONS TAX



Notwithstanding the provisions of § 58.1-3818.02, Code of Virginia, or any other provision of law, subject to the execution of a memorandum of understanding between an entertainment venue and the County of Stafford, Stafford County is authorized to impose a tax on admissions to an entertainment venue located in the county that (i) is licensed to do business in the county for the first time on or after July 1, 2015, and (ii) requires at least 75 acres of land for its operations, and (iii) such land is purchased or leased by the entertainment venue owner on or after June 1, 2015. The tax shall not exceed 10 percent of the amount of charge for admission to any such venue. The provisions of this section shall expire on July 1, 2019 if no entertainment venue exists in Stafford County upon which the tax authorized is imposed.

#### § 3-5.14 SUNSET DATES FOR INCOME TAX CREDITS AND SALES AND USE TAX EXEMPTIONS

A. Notwithstanding any other provision of law the General Assembly shall not advance the sunset date on any existing sales tax exemption or tax credit beyond June 30, 2025. Any new sales tax exemption or tax credit enacted by the General Assembly after the 2019 regular legislative session, but prior to the 2024 regular legislative session, shall have a sunset date of not later than June 30, 2025. However, this requirement shall not apply to tax exemptions administered by the Department of Taxation under § 58.1-609.11, relating to exemptions for nonprofit entities nor shall it apply to exemptions or tax credits with sunset dates after June 30, 2022, enacted or advanced during the 2016 Session of the General Assembly, or to the Motion Picture Production Tax Credit under § 58.1-439.12:03, Code of Virginia.

B. The Department shall provide an updated revenue impact report no later than November 1, 2025, and every five years thereafter, for sales tax exemptions and tax credits set to expire within two years following the date of the report. Such reports shall be distributed to every member of the General Assembly and to the Joint Subcommittee to Evaluate Tax Preferences.

#### § 3-5.15 PROVIDER COVERAGE ASSESSMENT

A. The Department of Medical Assistance Services (DMAS) is authorized to levy an assessment upon private acute care hospitals operating in Virginia in accordance with this Item. Private acute care hospitals operating in Virginia shall pay a coverage assessment beginning on or after October 1, 2018. For the purposes of this coverage assessment, the definition of private acute care hospitals shall exclude public hospitals, freestanding psychiatric and rehabilitation hospitals, children's hospitals, long stay hospitals, long-term acute care hospitals and critical access hospitals.

B.1. The coverage assessment shall be used only to cover the non-federal share of the "full cost of expanded Medicaid coverage" for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act, including the administrative costs of collecting the coverage assessment and implementing and operating the coverage for newly eligible adults which includes the costs of administering the provisions of the Section 1115 waiver.

2.a. The "full cost of expanded Medicaid coverage" shall include: 1) any and all Medicaid expenditures related to individuals eligible for Medicaid pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act, including any federal actions or repayments; and, 2) all administrative costs associated with providing coverage, which includes the costs of administering the provisions of the Section 1115 waiver, and collecting the coverage assessment.

b. The "full cost of expanded Medicaid coverage" shall be updated: 1) on November 1 of each year based on the official Medicaid forecast and latest administrative cost estimates developed by DMAS; 2) no more than 30 days after the enactment of this Act to reflect policy changes adopted by the latest session of the General Assembly; and 3) on March 1 of any year in which DMAS estimates that the most recent non-federal share of the "full cost of expanded Medicaid coverage" times 1.08 will be insufficient to pay all expenses in 2.a. for that year.

C.1. The "coverage assessment amount" shall equal the non-federal share of the "full cost of expanded Medicaid coverage" times 1.02.

2. The "coverage assessment percentage" shall be calculated quarterly by dividing (i) the "coverage assessment amount" by (ii) the total "net patient service revenue" for hospitals subject to the assessment. The coverage assessment amount used in the quarterly calculation of the "coverage assessment percentage" shall include a reconciliation of the Health Care Coverage Assessment Fund prescribed in D.1 and subtract all prior quarterly assessments paid for that fiscal year before dividing the remainder by the remaining quarters in the fiscal year.

3. Each hospital's "net patient service revenue" equals the amount reported in the most recent Virginia Health Information (VHI) "Hospital Detail Report." Hospitals shall certify that the net patient service revenue is hospital revenue and this amount shall be the assessment basis for the following fiscal year.

4. Each hospital's coverage assessment amount shall be calculated by multiplying the quarterly "coverage assessment percentage" times each hospital's net patient service revenue.

D.1. DMAS shall, at a minimum, update the "coverage assessment amount" whenever the "full cost of expanded Medicaid coverage" is updated in section B.2.b or to ensure amounts are sufficient to cover the full cost of expanded Medicaid coverage based on the latest estimate. Hospitals shall be given no less than 15 days' notice prior to the beginning of the quarter with associated calculations supporting the change in its coverage assessment amount. Prior to any change to the coverage

assessment amount, DMAS shall perform and incorporate a reconciliation of the Health Care Coverage Assessment Fund through the most recent complete quarter. Any estimated excess or shortfall of revenue shall be deducted from or added to the "coverage assessment amount."

2. DMAS shall be responsible for collecting the coverage assessment amount. Hospitals subject to the coverage assessment shall make quarterly payments due no later than July 1, October 1, January 1 and April 1 of each state fiscal year.

3. Hospitals that fail to make the coverage assessment payments within 30 days of the due date shall incur a five percent penalty that shall be deposited in the Virginia Health Care Fund. Any unpaid coverage assessment or penalty will be considered a debt to the Commonwealth and DMAS is authorized to recover it as such.

E. DMAS shall submit a report, due September 1 of each year, to the Director, Department of Planning and Budget and Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Virginia Hospital and Healthcare Association. The report shall include, for the most recently completed fiscal year, the revenue collected from the coverage assessment, expenditures for purposes authorized by this Item, and the year-end coverage assessment balance in the Health Care Coverage Assessment Fund. The report shall also include a complete and itemized listing of all administrative costs included in the coverage assessment.

F. All revenue from the coverage assessment excluding penalties, shall be deposited into the Health Care Coverage Assessment Fund. Proceeds from the coverage assessment, excluding penalties, shall not be used for any other purpose than to cover the non-federal share of the full cost of expanded Medicaid coverage. Notwithstanding any other provision of law, the net state share of any prior year recovery of Medicaid expansion costs that were paid with coverage assessment revenue shall be deposited into the Health Care Coverage Assessment Fund.

G. Any provision of this Item is contingent upon approval by the Centers for Medicare and Medicaid Services if necessary.

H. The Hospital Payment Policy Advisory Council shall meet to consider the implementation and provisions of the Provider Coverage and Payment Rate Assessments in order to consider and make recommendations to ensure the collection and use of such funds are appropriate and consistent with the intent of the General Assembly. Specifically, the Council shall consider the level of detail and format necessary to develop the report pursuant to paragraph E. The Council shall recommend a format and associated level of detail, to be included in the report to the Joint Subcommittee for Health and Human Resources Oversight. The Joint Subcommittee shall approve the final format and associated level of detail of the report to be submitted by the Department of Medical Assistance Services.

#### § 3-5.16 PROVIDER PAYMENT RATE ASSESSMENT

A. The Department of Medical Assistance Services (DMAS) is hereby authorized to levy a payment rate assessment upon private acute care hospitals operating in Virginia in accordance with this item. Private acute care hospitals operating in Virginia shall pay a payment rate assessment beginning on or after October 1, 2018 when all necessary state plan amendments are approved by the Centers for Medicare and Medicaid Services (CMS). For purposes of this assessment, the definition of private acute care hospitals shall exclude public hospitals, freestanding psychiatric and rehabilitation hospitals, children's hospitals, long stay hospitals, long-term acute care hospitals and critical access hospitals.

B. Proceeds from the payment rate assessment shall be used to (i) fund an increase in inpatient and outpatient payment rates paid to private acute care hospitals operating in Virginia up to the "upper payment limit gap"; and (ii) fill the "managed care organization hospital payment gap" for care provided to recipients of medical assistance services. Payments made under the provisions i and ii of this paragraph shall be referred to as "private acute care hospital enhanced payments".

C.1. The Department of Medical Assistance Services (DMAS) shall calculate each hospital's "payment rate assessment amount" by multiplying the "payment rate assessment percentage" times "net patient service revenue" as defined below.

2. The "payment rate assessment percentage" for hospitals shall be calculated as (i) the non-federal share of funding the "private acute care hospitals enhanced payments" divided by (ii) the total "net patient service revenue" for hospitals subject to the assessment.

3. Each hospital's "net patient service revenue" equals the amount reported in the most recent Virginia Health Information (VHI) "Hospital Detail Report." Hospitals shall certify that the net patient service revenue is hospital revenue and this amount shall be the assessment basis for the following fiscal year.

D. DMAS is authorized to update the payment rate assessment amount and payment rate assessment percentage on a quarterly basis to ensure amounts are sufficient to cover the non-federal share of the full cost of the private acute care hospital enhanced payments based on the department's quarterly claims and encounter data. Hospitals shall be given no less than 15 days prior notice of the new assessment amount and be provided with calculations. Prior to any change to the payment rate assessment amount, DMAS shall perform and incorporate a reconciliation of the Health Care Provider Payment Rate Assessment Fund. Any estimated excess or shortfall of revenue since the previous reconciliation shall be deducted from or added to the calculation of the private acute care hospital enhanced payments.

E.1. The "upper payment limit" means the limit on payment for inpatient services for recipients of medical assistance established in accordance with 42 C.F.R. § 447.272 and outpatient services for recipients of medical assistance pursuant to 42 C.F.R. § 447.321 for private hospitals. DMAS shall complete a calculation of the "upper payment limit" for each state fiscal year with a detailed analysis of how it was determined. The "upper payment limit payment gap" means the difference between the amount of the private hospital upper payment limit and the amount otherwise paid pursuant to the state plan for inpatient and outpatient services. The "managed care organization hospital payment gap" means the difference between the amount included in the capitation rates for inpatient and outpatient services based on historical paid claims and the amount that would be included when the projected hospital services furnished by private acute care hospitals operating in Virginia are priced for the contract year equivalent to the maximum managed care directed payment amount as allowed by CMS subject to CMS approval under 42 C.F.R. section 438.6(c). As part of the development of the managed care capitation rates, the DMAS shall calculate a "Medicaid managed care organization (MCO) supplemental hospital capitation payment adjustment". This is a distinct additional amount that shall be added to Medicaid MCO capitation rates to fund supplemental payments under this section to private acute care hospitals operating in Virginia for services to Medicaid recipients.

2. DMAS shall contractually direct Medicaid MCOs to disburse supplemental hospital capitation payment funds consistent with this section and 42 C.F.R. § 438.6(c), to ensure that all such funds are disbursed to private acute care hospitals operating in Virginia. In addition, DMAS shall contractually prohibit MCOs from making reductions to or supplanting hospital payments otherwise paid by MCOs.

3. DMAS shall make available quarterly a report of the additional capitation payments that are made to each MCO pursuant to this item. Further, DMAS shall consider recommendations of the Medicaid Hospital Payment Policy and Advisory Council in designing and implementing the specific elements of the payment rate assessment and private acute care hospital supplemental payment program authorized by this item.

F.1. DMAS shall be responsible for collecting the payment rate assessment amount. Hospitals subject to the payment rate assessment shall make quarterly payments due no later than August 15, November 15, February 15 and May 15 of each state fiscal year.

2. Hospitals that fail to make the payment rate assessment payments on or before the due date in subsection F.1. shall incur a five percent penalty that shall be deposited in the Virginia Health Care Fund. Any unpaid payment assessment or penalty will be considered a debt to the Commonwealth and DMAS is authorized to recover it as such.

G. DMAS shall submit a report due September 1 of each year to the Director, Department of Planning and Budget and Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The report shall include, for the most recently completed fiscal year, the revenue collected from the payment rate assessment, expenditures for purposes authorized by this item, and the year-end assessment balance in the Health Care Provider Payment Rate Assessment Fund.

H. All revenue from the payment rate assessment shall be deposited into the Health Care Provider Payment Rate Assessment Fund, a special non-reverting fund in the state treasury. Proceeds from the payment rate assessment, excluding penalties, shall not be used for any other purpose than to fund (i) an increase in inpatient and outpatient payment rates paid to private acute care hospitals operating in Virginia up to the private hospital "upper payment limit" and "managed care organization hospital payment gap" for care provided to recipients of medical assistance services, and (ii) the administrative costs of collecting the assessment and of implementing and operating the associated payment rate actions.

I. Any provision of this Section is contingent upon approval by the Centers for Medicare and Medicaid Services if necessary.

#### § 3-5.17 TOBACCO TAX STUDY

The Joint Subcommittee to Evaluate Tax Preferences is hereby directed to continue studying options for the modernization of § 58.1-1001(A), Code of Virginia, to reflect advances in science and technology in the area of tobacco harm reduction, and the role innovative non-combustible tobacco products can play in reducing harm, including products that produce vapor or aerosol from heating tobacco or liquid nicotine. In addition, the Joint Subcommittee shall study possible reforms to the taxation of tobacco products that will provide fairness and equity for all local governments and also ensure stable tax revenues for the Commonwealth. The Joint Subcommittee shall complete its study and submit a final report with recommended reforms to the Finance Committees of the Virginia Senate and Virginia House of Delegates. All agencies of the Commonwealth shall provide assistance for this study, upon request.

#### §3-5.18 HISTORIC PRESERVATION TAX CREDIT

Notwithstanding § 58.1-339.2 or any other provision of law, effective for taxable years beginning on and after January 1, 2017, the amount of the Historic Rehabilitation Tax Credit that may be claimed by each taxpayer, including amounts carried over from prior taxable years, shall not exceed \$5 million for any taxable year.

#### § 3-5.19 LAND PRESERVATION TAX CREDIT CLAIMED

Notwithstanding § 58.1-512 or any other provision of law, effective for the taxable year beginning on and after January 1,

2017, but before January 1, 2023, the amount of the Land Preservation Tax Credit that may be claimed by each taxpayer, including amounts carried over from prior taxable years, shall not exceed \$20,000.

### § 3-5.20 NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT

A. Notwithstanding § 58.1-439.20 or any other provision of law, for fiscal Year 2023 and fiscal year 2024, the amount of the Neighborhood Assistance Act Tax Credit available under § 58.1-439.18 et seq., Code of Virginia, shall be limited to \$20 million allocated as follows: \$12.0 million for education proposals for approval by the Superintendent of Public Instruction and \$8.0 million for all other proposals for approval by the Commissioner of the State Department of Social Services. In making such equitable allocation of credits, the Commissioner of Social Services and the Superintendent of Public Instruction shall consider the portion of a neighborhood organization's revenues and expenses that are used to serve low-income persons and shall not rely solely on the amount of credits allocated to the neighborhood organization in the prior year in allocating available credits.

B. For purposes of this section, the term "individual" means the same as that term is defined in § 58.1-302, but excluding any individual included in the definition of a "business firm" as such term is defined in § 58.1-439.18.

C. Notwithstanding any other provision of law or regulation, in order to be eligible to receive an allocation of credits pursuant to § 58.1-439.20:1, Code of Virginia, at least 50 percent of the persons served by the neighborhood organization, either directly by the neighborhood organization or through the provision of revenues to other organizations or groups serving such persons, shall be low-income persons or eligible students with disabilities and at least 50 percent of the neighborhood organization's revenues shall be used to provide services to low-income persons or to eligible students with disabilities, either directly by the neighborhood organization or through the provision of revenues to other organizations or groups providing such services. A tax credit shall be issued by the Superintendent of Public Instruction or the Commissioner of Social Services to an individual only upon receipt of a certification made by a neighborhood organization to whom tax credits were allocated for an approved program pursuant to § 58.1-439.20, § 58.1-439.20:1 or this language.

### § 3-5.21 CIGARETTE TAX, TOBACCO PRODUCTS TAX AND TAX ON LIQUID NICOTINE

A. Notwithstanding any other provision of law, the cigarette tax imposed under subsection A of § 58.1-1001 of the Code of Virginia shall be 3.0 cents on each cigarette sold, stored or received on and after July 1, 2020.

B. Notwithstanding any other provision of law, the rates of the tobacco products tax imposed under § 58.1-1021.02 of the Code of Virginia in effect on June 30, 2020 shall be doubled beginning July 1, 2020 for taxable sales or purchases occurring on and after such date.

C. Notwithstanding any other provision of law, the tobacco products tax imposed under § 58.1-1021.02 of the Code of Virginia shall be imposed on liquid nicotine at the rate of \$0.066 per milliliter beginning July 1, 2020 for taxable sales or purchases occurring on and after such date.

D. Notwithstanding any other provision of law, the tobacco products tax imposed under § 58.1-1021.02 of the Code of Virginia shall be imposed on any heated tobacco product at the rate of 2.25 cents per stick beginning January 1, 2021 for taxable sales or purchases occurring on and after such date.

E. The Tax Commissioner shall establish guidelines and rules for (i) transitional procedures in regard to the increase in the cigarette tax, (ii) implementation of the increased tobacco products tax rates, and (iii) implementation of the tobacco products tax on liquid nicotine pursuant to the provisions of this act. The development of such guidelines and rules by the Tax Commissioner shall be exempt from the provisions of the Administrative Process Act (Code of Virginia § 2.2-4000 et seq.)

F. Notwithstanding any other provision of law, beginning January 1, 2021, for the purposes of the Tobacco Products Tax, a Distributor, as defined in § 58.1-1021.01, shall be deemed to have sufficient activity within the Commonwealth to require registration under § 58.1-1021.04:1, if such distributor:

1. Receives more than \$100,000 in gross revenue, or other minimum amount as may be required by federal law, from sales of tobacco products in the Commonwealth in the previous or current calendar year, provided that in determining the amount of a dealer's gross revenues, the sales made by all commonly controlled persons as defined in subsection D of § 58.1-612 shall be aggregated; or

2. Engages in 200 or more separate tobacco products sales transactions, or other minimum amount as may be required by federal law, in the Commonwealth in the previous or current calendar year, provided that in determining the total number of a dealer's retail sales transactions, the sales made by all commonly controlled persons as defined in subsection D of § 58.1-612 shall be aggregated.

### § 3-5.22 INDIVIDUAL INCOME TAX REBATE

In addition to any refund due pursuant to § 58.1-309 of the Code of Virginia, and for taxable years beginning on and after January 1, 2021, but before January 1, 2022, an individual filing a return on or before March 1, 2023 or married persons filing a joint return on or before March 1, 2023 shall be issued a refund in an amount up to \$250 for an individual, or \$500 for married persons filing a joint return. An individual shall only be allowed a refund pursuant to this enactment up to the amount of such individual's tax liability

after the application of any deductions, subtractions, or credits to which the individual is entitled pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1 of the Code of Virginia. Married persons filing a joint return shall only be allowed a refund pursuant to this enactment up to the amount of such married persons' tax liability after the application of any deductions, subtractions, or credits to which the married persons are entitled pursuant to Chapter 3 of Title 58.1 of the Code of Virginia. Any refund issued pursuant to this enactment shall be subject to collection under the provisions of the Setoff Debt Collection Act (§ 58.1-520 et seq. of the Code of Virginia). For taxpayers filing a return before July 1, 2022, refunds due pursuant to this enactment shall be issued on or after July 1, 2022 but before October 17, 2022. For taxpayers filing a return on or after July 1, 2022, refunds due pursuant to this enactment shall be issued on or after July 1, 2022 but no later than 4 months after such return is filed. In no case shall any interest be paid on any refund due pursuant to this enactment.

#### § 3-5.24 RETAIL SALES AND USE TAX EXEMPTION FOR CERTAIN DRILLING EQUIPMENT

Notwithstanding any other provision of law or regulation, the retail sales and use tax exemption provided for in subdivision 12 of § 58.1-609.3 of the Code of Virginia, applicable to raw materials, fuel, power, energy, supplies, machinery or tools or repair parts therefor or replacements thereof, used directly in the drilling, extraction, or processing of natural gas or oil and the reclamation of the well area shall remain in effect through July 1, 2023.

#### § 3-5.25 SALES AND USE TAX HOLIDAY FOR CERTAIN SCHOOL SUPPLIES, HURRICANE PREPAREDNESS EQUIPMENT, AND ENERGY SAVINGS EQUIPMENT

Notwithstanding any other provision of law or regulation, the retail sales and use tax exemption holidays authorized in subdivision 18 of § 58.1-609.1, § 58.1-611.2 and § 58.1-611.3 of the Code of Virginia, applicable to Energy Star or Watersense qualified products, school supplies, clothing and footwear, and certain hurricane preparedness equipment shall remain in effect through July 1, 2023.

#### § 3-5.26 FOOD CROP DONATION TAX CREDIT

Notwithstanding any other provision of law or regulation, the tax credit authorized in § 58.1-439.12:12 of the Code of Virginia pursuant to a credit for food crop donations shall remain in effect through the tax year beginning on January 1, 2022.

#### § 3-5.27 RETAIL SALES AND USE TAX EXEMPTION FOR DONATED EDUCATIONAL MATERIALS

Notwithstanding any other provision of law or regulation, the retail sales and use tax exemption provided for in subdivision 7 of § 58.1-609.6 of the Code of Virginia, applicable to textbooks and other educational materials that are donated shall remain in effect through July 1, 2023.

#### § 3-5.28 2-23 INDIVIDUAL INCOME TAX REBATE

A. There is hereby established in the State Treasury and on the books of the State Comptroller a special nonreverting fund known as the "2023 Individual Income Tax Rebate Fund". On or before October 1, 2023, the State Comptroller shall transfer an estimated \$906,800,000 from the general fund to the 2023 Individual Income Tax Rebate Fund to issue refunds pursuant to paragraph B. The Governor, in consultation with the State Comptroller and the Tax Commissioner, shall certify to the General Assembly on or before December 1 any additional transfer amounts to the Fund necessary to issue refunds pursuant to paragraph B.

B. In addition to any refund due pursuant to § 58.1-309 of the Code of Virginia, and for taxable years beginning on and after January 1, 2022, but before January 1, 2023, an individual filing a return before on or before November 1, 2023, or married persons filing a joint return on or before November 1, 2023, shall be issued a refund out of the 2023 Individual Income Tax Rebate Fund in an amount up to \$200 for an individual, or \$400 for married persons filing a joint return. An individual shall only be allowed a refund pursuant to this enactment up to the amount of such individual's tax liability after the application of any deductions, subtractions, or credits to which the individual is entitled pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1 of the Code of Virginia. Married persons filing a joint return shall only be allowed a refund pursuant to this enactment up to the amount of such married persons' tax liability after the application of any deductions, subtractions, or credits to which the married persons are entitled pursuant to Chapter 3 of Title 58.1 of the Code of Virginia. Any refund issued pursuant to this enactment shall be subject to collection under the provisions of the Setoff Debt Collection Act (§ 58.1-520 et seq. of the Code of Virginia). For taxpayers filing a return before July 1, 2023, refunds due pursuant to this enactment shall be issued on or before November 30, 2023. In no case shall any interest be paid on any refund due pursuant to this enactment.

C. For purposes of determining the amounts required to be deposited to the Revenue Stabilization Fund pursuant to Article X, Section 8, Constitution of Virginia, the certified amounts for fiscal year 2023 shall include any amounts transferred from the general fund to the 2023 Individual Income Tax Rebate that will be used to provide refunds pursuant to paragraph B.

D. For the purposes of determining the amounts required to be deposited to the Revenue Reserve Fund pursuant to § 2.2-1831.3, Code of Virginia, and the amounts required to be deposited to the Water Quality Improvement Fund pursuant to § 10.1-2128, Code of Virginia, for fiscal year 2023, general fund revenue collections shall include any amounts transferred to the 2023 Individual Income Tax Rebate that will be used to provide refunds pursuant to paragraph B.

1 § 3-5.29 REAL PROPERTY TAX

2 A. Virginia Code § 58.1-3295.3 requires fixtures in a data center, when classified as real estate, to be valued by a locality based on  
3 the cost approach (cost less depreciation) rather than the income generated. Fixtures in a data center, when classified as real estate,  
4 shall be assessed at one-hundred percent fair market value as determined by the cost approach and consistent with § 58.1-3201.

5 § 3-5.30 TAX COLLECTION EFFORTS

6 *In any pending or future administrative or judicial proceeding in which the validity of a tax assessment is an issue, the participation*  
7 *of the Department of Taxation in any capacity shall be considered a collection effort for purposes of § 58.1-1802.1. This subsection*  
8 *is declarative of existing law.*

9 § 3-6.00 ADJUSTMENTS AND MODIFICATIONS TO FEES

10 § 3-6.01 RECORDATION TAX FEE

11 There is hereby assessed a twenty dollar fee on (i) every deed for which the state recordation tax is collected pursuant to §§ 58.1-801  
12 A and 58.1-803, Code of Virginia; and (ii) every certificate of satisfaction admitted under § 55.1-345, Code of Virginia. The revenue  
13 generated from fifty percent of such fee shall be deposited to the general fund. The revenue generated from the other fifty percent of  
14 such fee shall be deposited to the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality  
15 Improvement Fund, as established in § 10.1-2128.1, Code of Virginia. The funds deposited to this subfund shall be disbursed for the  
16 agricultural best management practices cost share program, pursuant to § 10.1-2128.1, Code of Virginia.

17 § 3-6.02 ANNUAL VEHICLE REGISTRATION FEE (\$6.25 FOR LIFE)

18 Notwithstanding § 46.2-694 paragraph 13 of the Code of Virginia, the additional fee that shall be charged and collected at the time  
19 of registration of each pickup or panel truck and each motor vehicle shall be \$6.25.

20 § 3-6.03 DRIVERS LICENSE REINSTATEMENT FEE

21 A. Notwithstanding § 46.2-411 of the Code of Virginia, the drivers license reinstatement fee payable to the Trauma Center Fund  
22 shall be \$100.

23 B. Notwithstanding the provisions of § 46.2-395 of the Code of Virginia, no court shall suspend any person's privilege to drive a  
24 motor vehicle solely for failure to pay any fines, court costs, forfeitures, restitution, or penalties assessed against such person. The  
25 Commissioner of the Department of Motor Vehicles shall reinstate a person's privilege to drive a motor vehicle that was suspended  
26 prior to July 1, 2019, solely pursuant to § 46.2-395 of the Code of Virginia and shall waive all fees relating to reinstating such  
27 person's driving privileges including those paid to the Trauma Center Fund. Nothing herein shall require the Commissioner to  
28 reinstate a person's driving privileges if such privileges have been otherwise lawfully suspended or revoked or if such person is  
29 otherwise ineligible for a driver's license.

30 § 3-6.04 ASSESSMENT OF ELECTRONIC SUMMONS FEE BY LOCALITIES

31 Nothing in § 17.1-279.1 of the Code of Virginia shall be construed to authorize any county, city, or town to assess the sum set forth  
32 therein upon any summons issued by a law-enforcement agency of the Commonwealth.

33 § 3-6.05 PROCEDURES FOR PREPAYMENT OF CIVIL PENALTIES IN AN EXECUTIVE ORDER

34 Any civil penalty under § 44-146.17(1) shall be prepayable in the amount set by executive order and in accordance with § 16.1-  
35 69.40:2 B of the Code of Virginia. Any civil penalty amount set by executive order shall not be construed or interpreted so as to  
36 limit the discretion of any trial judge trying individual cases at the time fixed for trial.



**PART 4: GENERAL PROVISIONS**

**§ 4-0.00 OPERATING POLICIES**

§ 4-0.01 OPERATING POLICIES

a. Each appropriating act of the General Assembly shall be subject to the following provisions and conditions, unless specifically exempt elsewhere in this act.

b. All appropriations contained in this act, or in any other appropriating act of the General Assembly, are declared to be maximum appropriations and conditional on receipt of revenue.

c. The Governor, as chief budget officer of the state, shall ensure that the provisions and conditions as set forth in this section are strictly observed.

d. Public higher education institutions are not subject to the provisions of § 2.2-4800, Code of Virginia, or the provisions of the Department of Accounts' Commonwealth Accounting Policies and Procedures manual (CAPP) topic 20505 with regard to students who are veterans of the United States armed services and National Guard and are in receipt of federal educational benefits under the G.I. Bill. Public higher education shall establish internal procedures for the continued enrollment of such students to include resolution of outstanding accounts receivable.

e. The provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq. of the Code of Virginia) shall not apply to grants made in support of the 2019 Commemoration to non-profit entities organized under § 501 (c)(3) of the Internal Revenue Code.

f. 1. The State Council of Higher Education for Virginia shall establish a policy for granting undergraduate course credit to entering freshman students who have taken one or more Advanced Placement, Cambridge Advanced (A/AS), College-Level Examination Program (CLEP), or International Baccalaureate examinations by August 1, 2017. The policy shall:

a) Outline the conditions necessary for each public institution of higher education to grant course credit, including the minimum required scores on such examinations;

b) Identify the course credit or other academic requirements of each public institution of higher education that the student satisfies by achieving the minimum required scores on such examinations; and

c) Ensure, to the extent possible, that the grant of course credit is consistent across each public institution of higher education and each such examination.

2. The Council and each public institution of higher education shall make the policy available to the public on its website.

g. 1. Notwithstanding any other provision of law, any public body, including any state, local, regional, or regulatory body, or a governing board as defined in § 54.1-2345 of the Code of Virginia, or any joint meeting of such entities, may meet by electronic communication means without a quorum of the public body or any member of the governing board physically assembled at one location when the Governor has declared a state of emergency in accordance with § 44-146.17, provided that (i) the nature of the declared emergency makes it impracticable or unsafe for the public body or governing board to assemble in a single location; (ii) the purpose of meeting is to discuss or transact the business statutorily required or necessary to continue operations of the public body or common interest community association as defined in § 54.1-2345 of the Code of Virginia and the discharge of its lawful purposes, duties, and responsibilities; (iii) a public body shall make available a recording or transcript of the meeting on its website in accordance with the timeframes established in §§ 2.2-3707 and 2.2-3707.1 of the Code of Virginia; and (iv) the governing board shall distribute minutes of a meeting held pursuant to this subdivision to common interest community association members by the same method used to provide notice of the meeting.

2. A public body or governing board convening a meeting in accordance with this subdivision shall:

a) Give notice to the public or common interest community association members using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided to members of the public body or governing board conducting the meeting;

b) Make arrangements for public access or common interest community association members access to such meeting through electronic means including, to the extent practicable, videoconferencing technology. If the means of communication allows, provide the public or common interest community association members with an opportunity to comment; and

3. Public bodies must otherwise comply with the provisions of § 2.2-3708.2 of the Code of Virginia. The nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held shall be stated in the minutes of the public body or governing board.

h. To the extent that a public institution of higher education maintains and operates university housing during scheduled intercessions, the institution shall provide access to housing for students eligible under § 23.1-601, Code of Virginia at no cost to the student provided that the student (i) is a registered student for the immediate following term and (ii) meets the definitions and conditions of the federal McKinney-Vento Homeless Assistance Act.

## § 4-1.00 APPROPRIATIONS

### § 4-1.01 PREREQUISITES FOR PAYMENT

a. The State Comptroller shall not pay any money out of the state treasury except pursuant to appropriations in this act or in any other act of the General Assembly making an appropriation during the current biennium.

b. Moneys shall be spent solely for the purposes for which they were appropriated by the General Assembly, except as specifically provided otherwise by § 4-1.03 Appropriation Transfers, § 4-4.01 Capital Projects, or § 4-5.01 a. Settlement of Claims with Individuals. Should the Governor find that moneys are not being spent in accordance with provisions of the act appropriating them, he shall restrain the State Comptroller from making further disbursements, in whole or in part, from said appropriations. Further, should the Auditor of Public Accounts determine that a state or other agency is not spending moneys in accordance with provisions of the act appropriating them, he shall so advise the Governor or other governing authority, the State Comptroller, the Chairman of the Joint Legislative Audit and Review Commission, and Chairmen of the Senate Finance and Appropriations and House Appropriations Committees.

c. Exclusive of revenues paid into the general fund of the state treasury, all revenues earned or collected by an agency, and contained in an appropriation item to the agency shall be expended first during the fiscal year, prior to the expenditure of any general fund appropriation within that appropriation item, unless prohibited by statute or by the terms and conditions of any gift, grant or donation.

### § 4-1.02 WITHHOLDING OF SPENDING AUTHORITY

a. For purposes of this subsection, withholding of spending authority is defined as any action pursuant to a budget reduction plan approved by the Governor to address a declared shortfall in budgeted revenue that impedes or limits the ability to spend appropriated moneys, regardless of the mechanism used to effect such withholding.

b.1. Changed Expenditure Factors: The Governor is authorized to reduce spending authority, by withholding allotments of appropriations, when expenditure factors, such as enrollments or population in institutions, are smaller than the estimates upon which the appropriation was based. Moneys generated from the withholding action shall not be reallocated for any other purpose, provided the withholding of allotments of appropriations under this provision shall not occur until at least 15 days after the Governor has transmitted a statement of changed factors and intent to withhold moneys to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

2. Moneys shall not be withheld on the basis of reorganization plans or program evaluations until such plans or evaluations have been specifically presented in writing to the General Assembly at its next regularly scheduled session.

c. Increased Nongeneral Fund Revenue:

1. General fund appropriations to any state agency for operating expenses are supplemental to nongeneral fund revenues collected by the agency. To the extent that nongeneral fund revenues collected in a fiscal year exceed the estimate on which the operating budget was based, the Governor is authorized to withhold general fund spending authority, by withholding allotments of appropriations, in an equivalent amount. However, this limitation shall not apply to (a) restricted excess tuition and fees for educational and general programs in the institutions of higher education, as defined in § 4-2.01 c of this act; (b) appropriations to institutions of higher education designated for fellowships, scholarships and loans; (c) gifts or grants which are made to any state agency for the direct costs of a stipulated project; (d) appropriations to institutions for the mentally ill or intellectually disabled payable from the Behavioral Health and Developmental Services Revenue Fund; and (e) general fund appropriations for highway construction and mass transit. Moneys unallotted under this provision shall not be reallocated for any other purpose.

2. To the degree that new or additional grant funds become available to supplement general fund appropriations for a program, following enactment of an appropriation act, the Governor is authorized to withhold general fund spending authority, by withholding allotments of appropriations, in an amount equivalent to that provided from grant funds, unless such action is prohibited by the original provider of the grant funds. The withholding action shall not include general fund appropriations, which are required to match grant funds. Moneys unallotted under this provision shall not be reallocated for any other purpose.

d. Reduced General Fund Resources:

1. The term "general fund resources" as applied in this subsection includes revenues collected and paid into the general fund of the state treasury during the current biennium, transfers to the general fund of the state treasury during the current biennium, and all unexpended balances brought forward from the previous biennium.



2. In the event that general fund resources are estimated by the Governor to be insufficient to pay in full all general fund appropriations authorized by the General Assembly, the Governor shall, subject to the qualifications herein contained, withhold general fund spending authority, by withholding allotments of appropriations, to prevent any expenditure in excess of the estimated general fund resources available.

3. In making this determination, the Governor shall take into account actual general fund revenue collections for the current fiscal year and the results of a formal written re-estimate of general fund revenues for the current and next biennium, prepared within the previous 90 days, in accordance with the process specified in § 2.2-1503, Code of Virginia. Said re-estimate of general fund revenues shall be communicated to the Chairmen of the Senate Finance and Appropriations, House Appropriations and House Finance Committees, prior to taking action to reduce general fund allotments of appropriations on account of reduced resources.

4.a) In addition to monthly reports on the status of revenue collections relative to the current fiscal year's estimate, the Governor shall provide a written quarterly assessment of the current economic outlook for the remainder of the fiscal year to the Chairmen of the House Appropriations, House Finance, and Senate Finance and Appropriations Committees.

b) Within five business days after the preliminary close of the state accounts at the end of the fiscal year, the State Comptroller shall provide the Governor with the actual total of (1) individual income taxes, (2) corporate income taxes, and (3) sales taxes for the just-completed fiscal year, with a comparison of such actual totals with the total of such taxes in the official budget estimate for that fiscal year. If that comparison indicates that the total of (1) individual income taxes, (2) corporate income taxes, and (3) sales taxes, as shown on the preliminary close, was one percent or more below the amount of such taxes in the official budget estimate for the just-completed fiscal year, the Governor shall prepare a written re-estimate of general fund revenues for the current biennium and the next biennium in accordance with § 2.2-1503, Code of Virginia, to be reported to the Chairmen of the Senate Finance and Appropriations, House Finance and House Appropriations Committees, not later than September 1 following the close of the fiscal year.

5.a) The Governor shall take no action to withhold allotments until a written plan detailing specific reduction actions approved by the Governor, identified by program and appropriation item, has been presented to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. Subsequent modifications to the approved reduction plan also must be submitted to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, prior to withholding allotments of appropriations.

b) In addition to the budget reduction plan approved by the Governor, all budget reduction proposals submitted by state agencies to the Governor or the Governor's staff, including but not limited to the Department of Planning and Budget, the Governor's Cabinet secretaries, or the Chief of Staff, whether submitted electronically or otherwise, shall be made available via electronic means to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees concurrently with that budget reduction plan.

6. In effecting the reduction of expenditures, the Governor shall not withhold allotments of appropriations for:

a) More than 15 percent cumulatively of the annual general fund appropriation contained in this act for operating expenses of any one state or nonstate agency or institution designated in this act by title, and the exact amount withheld, by state or nonstate agency or institution, shall be reported within five calendar days to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees. State agencies providing funds directly to grantees named in this act shall not apportion a larger cut to the grantee than the proportional cut apportioned to the agency. Without regard to § 4-5.05 b.4. of this act, the remaining appropriation to the grantee which is not subject to the cut, equal to at least 85 percent of the annual appropriation, shall be made by July 31, or in two equal installments, one payable by July 31 and the other payable by December 31, if the remaining appropriation is less than or equal to \$500,000, except in cases where the normal conditions of the grant dictate a different payment schedule.

b) The payment of principal and interest on the bonded debt or other bonded obligations of the Commonwealth, its agencies and its authorities, or for payment of a legally authorized deficit.

c) The payments for care of graves of Confederate and historical African American dead.

d) The employer contributions, and employer-paid member contributions, to the Social Security System, Virginia Retirement System, Judicial Retirement System, State Police Officers Retirement System, Virginia Law Officers Retirement System, Optional Retirement Plan for College and University Faculty, Optional Retirement Plan for Political Appointees, Optional Retirement Plan for Superintendents, the Volunteer Service Award Program, the Virginia Retirement System's group life insurance, sickness and disability, and retiree health care credit programs for state employees, state-supported local employees and teachers. If the Virginia Retirement System Board of Trustees approves a contribution rate for a fiscal year that is lower than the rate on which the appropriation was based, or if the United States government approves a Social Security rate that is lower than that in effect for the current budget, the Governor may withhold excess contributions. However, employer and employee paid rates or contributions for health insurance and matching deferred compensation for state employees, state-supported local employees and teachers may not be increased or decreased beyond the amounts approved by the General Assembly. Payments for the employee benefit programs listed in this paragraph may not be delayed beyond the customary

1 billing cycles that have been established by law or policy by the governing board.

2 e) The payments in fulfillment of any contract awarded for the design, construction and furnishing of any state building.

3 f) The salary of any state officer for whom the Constitution of Virginia prohibits a change in salary.

4 g) The salary of any officer or employee in the Executive Department by more than two percent (irrespective of the fund source for  
5 payment of salaries and wages); however, the percentage of reduction shall be uniformly applied to all employees within the  
6 Executive Department.

7 h) The appropriation supported by the State Bar Fund, as authorized by § 54.1-3913, Code of Virginia, unless the supporting  
8 revenues for such appropriation are estimated to be insufficient to pay the appropriation.

9 7. The Governor is authorized to withhold specific allotments of appropriations by a uniform percentage, a graduated reduction or on  
10 an individual basis, or apply a combination of these actions, in effecting the authorized reduction of expenditures, up to the  
11 maximum of 15 percent, as prescribed in subdivision 6a of this subsection.

12 8. Each nongeneral fund appropriation shall be payable in full only to the extent the nongeneral fund revenues from which the  
13 appropriation is payable are estimated to be sufficient. The Governor is authorized to reduce allotments of nongeneral fund  
14 appropriations by the amount necessary to ensure that expenditures do not exceed the supporting revenues for such appropriations;  
15 however, the Governor shall take no action to reduce allotments of appropriations for major nongeneral fund sources on account of  
16 reduced revenues until such time as a formal written re-estimate of revenues for the current and next biennium, prepared in  
17 accordance with the process specified in § 2.2-1503, Code of Virginia, has been reported to the Chairmen of the Senate Finance and  
18 Appropriations, House Finance, and House Appropriations Committees. For purposes of this subsection, major nongeneral fund  
19 sources are defined as Highway Maintenance and Operating Fund and Transportation Trust Fund.

20 9. Notwithstanding any contrary provisions of law, the Governor is authorized to transfer to the general fund on June 30 of each year  
21 of the biennium, or within 20 days from that date, any available unexpended balances in other funds in the state treasury, subject to  
22 the following:

23 a) The Governor shall declare in writing to the Chairmen of the Senate Finance and Appropriations and House Appropriations  
24 Committees that a fiscal emergency exists which warrants the transfer of nongeneral funds to the general fund and reports the exact  
25 amount of such transfer within five calendar days of the transfer;

26 b) No such transfer may be made from retirement or other trust accounts, the State Bar Fund as authorized by § 54.1-3913, Code of  
27 Virginia, debt service funds, or federal funds; and

28 c) The Governor shall include for informative purposes, in the first biennial budget he submits subsequent to the transfer, the amount  
29 transferred from each account or fund and recommendations for restoring such amounts.

30 10. The Director, Department of Planning and Budget, shall make available via electronic means a report of spending authority  
31 withheld under the provisions of this subsection to the Chairmen of the Senate Finance and Appropriations and House  
32 Appropriations Committees within five calendar days of the action to withhold. Said report shall include the amount withheld by  
33 agency and appropriation item.

34 11. If action to withhold allotments of appropriation under this provision is inadequate to eliminate the imbalance between projected  
35 general fund resources and appropriations, the Speaker of the House of Delegates and the President pro tempore of the Senate shall  
36 be advised in writing by the Governor, so that they may consider requesting a special session of the General Assembly.

#### 37 § 4-1.03 APPROPRIATION TRANSFERS

##### 38 GENERAL

39 a. During any fiscal year, the Director, Department of Planning and Budget, may transfer appropriation authority from one state or  
40 other agency to another, to effect the following:

41 1) distribution of amounts budgeted in the central appropriation to agencies, or withdrawal of budgeted amounts from agencies in  
42 accordance with specific language in the central appropriation establishing reversion clearing accounts;

43 2) distribution of pass-through grants or other funds held by an agency as fiscal agent;

44 3) correction of errors within this act, where such errors have been identified in writing by the Chairmen of the House  
45 Appropriations and Senate Finance and Appropriations Committees;

46 4) proper accounting between fund sources 0100 and 0300 in higher education institutions;

47 5) transfers specifically authorized elsewhere in this act or as specified in the Code of Virginia;

6) to supplement capital projects in order to realize efficiencies or provide for cost overruns unrelated to changes in size or scope; or

7) to administer a program for another agency or to effect budgeted program purposes approved by the General Assembly, pursuant to a signed agreement between the respective agencies.

b. During any fiscal year, the Director, Department of Planning and Budget, may transfer appropriation authority within an agency to effect proper accounting between fund sources and to effect program purposes approved by the General Assembly, unless specifically provided otherwise in this act or as specified in the Code of Virginia. However, appropriation authority for local aid programs and aid to individuals, with the exception of student financial aid, shall not be transferred elsewhere without advance notice to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. Further, any transfers between capital projects shall be made only to realize efficiencies or provide for cost overruns unrelated to changes in size or scope.

c.1. In addition to authority granted elsewhere in this act, the Director, Department of Planning and Budget, may transfer operating appropriations authority among sub-agencies within the Judicial System, the Department of Corrections, and the Department of Behavioral Health and Developmental Services to effect changes in operating expense requirements which may occur during the biennium.

2. The Director, Department of Planning and Budget, may transfer appropriations from the Department of Behavioral Health and Developmental Services to the Department of Medical Assistance Services, consisting of the general fund amounts required to match federal funds for reimbursement of services provided by its institutions and Community Services Boards.

3. The Director, Department of Planning and Budget, may transfer appropriations from the Office of Comprehensive Services to the Department of Medical Assistance Services, consisting of the general fund amounts required to match federal funds for reimbursement of services provided to eligible children.

4. The Director, Department of Planning and Budget, may transfer an appropriation or portion thereof within a state or other agency, or from one such agency to another, to support changes in agency organization, program or responsibility enacted by the General Assembly to be effective during the current biennium.

5. The Director, Department of Planning and Budget, may transfer appropriations from the second year to the first year, with said transfer to be reported in writing to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees within five calendar days of the transfer, when the expenditure of such funds is required to:

a) address a threat to life, safety, health or property, or

b) provide for unbudgeted cost increases for statutorily required services or federally mandated services, in order to continue those services at the present level, or

c) provide for payment of overtime salaries and wages, when the obligations for payment of such overtime were incurred during a situation deemed threatening to life, safety, health, or property, or

d) provide for payments to the beneficiaries of certain public safety officers killed in the line of duty, as authorized in Title 2.2, Chapter 4, Code of Virginia and for payments to the beneficiaries of certain members of the National Guard and United States military reserves killed in action in any armed conflict on or after October 7, 2001, as authorized in § 44-93.1 B., Code of Virginia, or

e) continue a program at the present level of service or at an increased level of service when required to address unanticipated increases in workload such as enrollment, caseload or like factors, or unanticipated costs, or

f) to address unanticipated business or industrial development opportunities which will benefit the state's economy, provided that any such appropriations be used in a manner consistent with the purposes of the program as originally appropriated.

6. An appropriation transfer shall not occur except through properly executed appropriation transfer documents designed specifically for that purpose, and all transactions effecting appropriation transfers shall be entered in the state's computerized budgeting and accounting systems.

7. The Director, Department of Planning and Budget, may transfer from any other agency, appropriations to supplement any project of the Virginia Public Building Authority authorized by the General Assembly and approved by the Governor. Such capital project shall be transferred to the state agency designated as the managing agency for the Virginia Public Building Authority.

8. In the event of the transition of a city to town status pursuant to the provisions of Chapter 41 of Title 15.2 of the Code of Virginia (§ 15.2-4100 et seq.) or the consolidation of a city and a county into a single city pursuant to the provisions of Chapter 35 of Title 15.2, Code of Virginia (§ 15.2-3500 et seq.) subsequent to July 1, 1999, the provisions of § 15.2-1302 shall govern distributions from state agencies to the county in which the town is situated or to the consolidated city, and the Director,

Department of Planning and Budget, is authorized to transfer appropriations or portions thereof within a state agency, or from one such agency to another, if necessary to fulfill the requirements of § 15.2-1302.

#### § 4-1.04 APPROPRIATION INCREASES

##### a. UNAPPROPRIATED NONGENERAL FUNDS:

##### 1. Sale of Surplus Materials:

The Director, Department of Planning and Budget, is hereby authorized to increase the appropriations to any state agency by the amount of credit resulting from the sale of surplus materials under the provisions of § 2.2-1125, Code of Virginia.

##### 2. Insurance Recovery:

The Director, Department of Planning and Budget, shall increase the appropriation authority for any state agency by the amount of the proceeds of an insurance policy or from the State Insurance Reserve Trust Fund, for expenditures as far as may be necessary, to pay for the repair or replacement of lost, damaged or destroyed property, plant or equipment.

##### 3. Gifts, Grants and Other Nongeneral Funds:

a) Subject to § 4-1.02 c, Increased Nongeneral Fund Revenue, and the conditions stated in this section, the Director, Department of Planning and Budget, is hereby authorized to increase the appropriations to any state agency by the amount of the proceeds of donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such appropriations during a fiscal year. Such appropriations shall be increased only when the expenditure of moneys is authorized elsewhere in this act or is required to:

1) address a threat to life, safety, health or property or

2) provide for unbudgeted increases in costs for services required by statute or services mandated by the federal government, in order to continue those services at the present level or implement compensation adjustments approved by the General Assembly, or

3) provide for payment of overtime salaries and wages, when the obligations for payment of such overtime were incurred during a situation deemed threatening to life, safety, health, or property, or

4) continue a program at the present level of service or at an increased level of service when required to address unanticipated increases in noncredit instruction at institutions of higher education or business and industrial development opportunities which will benefit the state's economy, or

5) participate in a federal or sponsored program provided that the provisions of § 4-5.03 shall also apply to increases in appropriations for additional gifts, grants, and other nongeneral fund revenue which require a general fund match as a condition of their acceptance; or

6) realize cost savings in excess of the additional funds provided, or

7) permit a state agency or institution to use a donation, gift or grant for the purpose intended by the donor, or

8) provide for cost overruns on capital projects and for capital projects authorized under § 4-4.01 l of this act, or

9) address caseload or workload changes in programs approved by the General Assembly.

b) The above conditions shall not apply to donations and gifts to the endowment funds of institutions of higher education.

c) Each state agency and institution shall ensure that its budget estimates include a reasonable estimate of receipts from donations, gifts or other nongeneral fund revenue. The Department of Planning and Budget shall review such estimates and verify their accuracy, as part of the budget planning and review process.

d) No obligation or expenditure shall be made from such funds until a revised operating budget request is approved by the Director, Department of Planning and Budget. Expenditures from any gift, grant or donation shall be in accordance with the purpose for which it was made; however, expenditures for property, plant or equipment, irrespective of fund source, are subject to the provisions of §§ 4-2.03 Indirect Costs, 4-4.01 Capital Projects General, and 4-5.03 b Services and Clients-New Services, of this act.

e) Nothing in this section shall exempt agencies from complying with § 4-2.01 a Solicitation and Acceptance of Donations, Gifts, Grants, and Contracts of this act.

4. Any nongeneral fund cash balance recorded on the books of the Department of Accounts as unexpended on the last day of the fiscal year may be appropriated for use in the succeeding fiscal year with the prior written approval of the Director, Department of Planning and Budget, unless the General Assembly shall have specifically provided otherwise. Revenues deposited to the Virginia Health Care Fund shall be used only as the state share of Medicaid, unless the General Assembly specifically authorizes an alternate use. With regard to the appropriation of other nongeneral fund cash balances, the Director shall make a listing of such transactions available to the public via electronic means no less than ten business days following the approval of the appropriation of any such

balance.

5. Reporting:

The Director, Department of Planning and Budget, shall make available via electronic means a report on increases in unappropriated nongeneral funds in accordance with § 4-8.00, Reporting Requirements, or as modified by specific provisions in this subsection.

b. AGRIBUSINESS EQUIPMENT FOR THE DEPARTMENT OF CORRECTIONS

The Director of the Department of Planning and Budget may increase the Department of Corrections appropriation for the purchase of agribusiness equipment or the repair or construction of agribusiness facilities by an amount equal to fifty percent of any annual amounts in excess of fiscal year 1992 deposits to the general fund from agribusiness operations. It is the intent of the General Assembly that appropriation increases for the purposes specified shall not be used to reduce the general fund appropriations for the Department of Corrections.

§ 4-1.05 REVERSION OF APPROPRIATIONS AND REAPPROPRIATIONS

a. GENERAL FUND OPERATING EXPENSE:

1.a) General fund appropriations which remain unexpended on (i) the last day of the previous biennium or (ii) the last day of the first year of the current biennium, shall be reappropriated and allotted for expenditure where required by the Code of Virginia, where necessary for the payment of preexisting obligations for the purchase of goods or services, or where desirable, in the determination of the Governor, to address any of the six conditions listed in § 4-1.03 c.5 of this act or to provide financial incentives to reduce spending to effect current or future cost savings. With the exception of the unexpended general fund appropriations of agencies in the Legislative Department, the Judicial Department, the Independent Agencies, or institutions of higher education, all other such unexpended general fund appropriations unexpended on the last day of the previous biennium or the last day of the first year of the current biennium shall revert to the general fund.

b) General fund appropriations for agencies in the Legislative Department, the Judicial Department, and the Independent Agencies shall be reappropriated, except as may be specifically provided otherwise by the General Assembly. General fund appropriations shall also be reappropriated for institutions of higher education, subject to § 23.1-1002, Code of Virginia.

c) To improve the stability in institutional planning and predictability for students and families to prepare for the cost of higher education, public higher education institutions are encouraged to employ the financial management strategy of establishing an institutional reserve fund supported by any unexpended education and general appropriations of the institution at the end of the fiscal year. The establishment of such a fund is designed to foster more long-term planning, promote efficient resource utilization and reduce the need for substantial year-to-year increases in tuition, thereby increasing affordability for Virginians. Independent of the provisions of § 23.1-1001, institutions are authorized to carry over education and general unexpended balances to establish and maintain a reserve fund in an amount not to exceed six percent of their general fund appropriation for educational and general programs in the most recently-completed fiscal year. Any use of the reserve fund shall be approved by the Board of Visitors of the affected institution, and the institution shall immediately report the details of the approved plan for use of the reserve fund to the Governor, the Secretary of Education, the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. Any reserve fund shall be subject to the provisions of § 23.1-1303.B.11.

2. a. The Governor shall report within five calendar days after completing the reappropriation process to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees on the reappropriated amounts for each state agency in the Executive Department. He shall provide a preliminary report of reappropriation actions on or before November 1 and a final report on or before December 20 to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

b. The Director, Department of Planning and Budget, may transfer reappropriated amounts within an agency to cover nonrecurring costs.

3. Pursuant to subsection E of § 2.2-1125, Code of Virginia, the determination of compliance by an agency or institution with management standards prescribed by the Governor shall be made by the Secretary of Finance and the Secretary having jurisdiction over the agency or institution, acting jointly.

4. The general fund resources available for appropriation in the first enactment of this act include the reversion of certain unexpended balances in operating appropriations as of June 30 of the prior fiscal year, which were otherwise required to be reappropriated by language in the Appropriation Act.

5. Upon request, the Director, Department of Planning and Budget, shall provide a report to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees showing the amount reverted for each agency and the total amount of such reversions.



b. NONGENERAL FUND OPERATING EXPENSE:

Based on analysis by the State Comptroller, when any nongeneral fund has had no increases or decreases in fund balances for a period of 24 months, the State Comptroller shall promptly transfer and pay the balance into the fund balance of the general fund. If it is subsequently determined that an appropriate need warrants repayment of all or a portion of the amount transferred, the Director, Department of Planning and Budget shall include repayment in the next budget bill submitted to the General Assembly. This provision does not apply to funds held in trust by the Commonwealth.

c. CAPITAL PROJECTS:

1. Upon certification by the Director, Department of Planning and Budget, the State Comptroller is hereby authorized to revert to the fund balance of the general fund any portion of the unexpended general fund cash balance and corresponding appropriation or reappropriation for a capital project when the Director determines that such portion is not needed for completion of the project. The State Comptroller may similarly return to the appropriate fund source any part of the unexpended nongeneral fund cash balance and reduce any appropriation or reappropriation which the Director determines is not needed to complete the project.

2. The unexpended general fund cash balance and corresponding appropriation or reappropriation for capital projects shall revert to and become part of the fund balance of the general fund during the current biennium as of the date the Director, Department of Planning and Budget, certifies to the State Comptroller that the project has been completed in accordance with the intent of the appropriation or reappropriation and there are no known unpaid obligations related to the project. The State Comptroller shall return the unexpended nongeneral fund cash balance, if there be any, for such completed project to the source from which said nongeneral funds were obtained. Likewise, he shall revert an equivalent portion of the appropriation or reappropriation of said nongeneral funds.

3. The Director, Department of Planning and Budget, may direct the restoration of any portion of the reverted amount if he shall subsequently verify an unpaid obligation or requirement for completion of the project. In the case of a capital project for which an unexpended cash balance was returned and appropriation or reappropriation was reverted in the prior biennium, he may likewise restore any portion of such amount under the same conditions.

§ 4-1.06 LIMITED ADJUSTMENTS OF APPROPRIATIONS

a. LIMITED CONTINUATION OF APPROPRIATIONS.

Notwithstanding any contrary provision of law, any unexpended balances on the books of the State Comptroller as of the last day of the previous biennium shall be continued in force for such period, not exceeding 10 days from such date, as may be necessary in order to permit payment of any claims, demands or liabilities incurred prior to such date and unpaid at the close of business on such date, and shown by audit in the Department of Accounts to be a just and legal charge, for values received as of the last day of the previous biennium, against such unexpended balances.

b. LIMITATIONS ON CASH DISBURSEMENTS.

Notwithstanding any contrary provision of law, the State Comptroller may begin preparing the accounts of the Commonwealth for each subsequent fiscal year on or about 10 days before the start of such fiscal year. The books will be open only to enter budgetary transactions and transactions that will not require the receipt or disbursement of funds until after June 30. Should an emergency arise, or in years in which July 1 falls on a weekend requiring the processing of transactions on or before June 30, the State Comptroller may, with notification to the Auditor of Public Accounts, authorize the disbursement of funds drawn against appropriations of the subsequent fiscal year, not to exceed the sum of three million dollars (\$3,000,000) from the general fund. This provision does not apply to debt service payments on bonds of the Commonwealth which shall be made in accordance with bond documents, trust indentures, and/or escrow agreements.

§ 4-1.07 ALLOTMENTS

Except when otherwise directed by the Governor within the limits prescribed in §§ 4-1.02 Withholding of Spending Authority, 4-1.03 Appropriation Transfers, and 4-1.04 Appropriation Increases of this act, the Director, Department of Planning and Budget, shall prepare and act upon the allotment of appropriations required by this act, and by § 2.2-1819, Code of Virginia, and the authorizations for rates of pay required by this act. Such allotments and authorizations shall have the same effect as if the personal signature of the Governor were subscribed thereto. This section shall not be construed to prohibit an appeal by the head of any state agency to the Governor for reconsideration of any action taken by the Director, Department of Planning and Budget, under this section.

**§ 4-2.00 REVENUES**

§ 4-2.01 NONGENERAL FUND REVENUES

a. SOLICITATION AND ACCEPTANCE OF DONATIONS, GIFTS, GRANTS, AND CONTRACTS:

1. a) No state agency shall solicit or accept any donation, gift, grant, or contract without the written approval of the Governor except under written guidelines issued by the Governor which provide for the solicitation and acceptance of nongeneral funds, except that donations or gifts to the Virginia War Memorial Foundation that are small in size and number and valued at less than \$5,000, such as

library items or small display items, may be approved by the Executive Director of the Virginia War Memorial in consultation with the Secretary of Veterans Affairs and Homeland Security. All other gifts and donations to the Virginia War Memorial Foundation must receive written approval from the Secretary of Veterans Affairs and Homeland Security.

b) The limits on solicitation and acceptance of donations, gifts, grants, and contracts stated in paragraph 1.a) above shall not apply to donations, gifts, grants, and contracts associated with support and/or response to the needs and impacts of the COVID-19 pandemic provided that acceptance of such does not create any ongoing commitments against general or nongeneral fund resources of the Commonwealth.

2. The Governor may issue policies in writing for procedures which allow state agencies to solicit and accept nonmonetary donations, gifts, grants, or contracts except that donations, gifts and grants of real property shall be subject to § 4-4.00 of this act and § 2.2-1149, Code of Virginia. This provision shall apply to donations, gifts and grants of real property to endowment funds of institutions of higher education, when such endowment funds are held by the institution in its own name and not by a separately incorporated foundation or corporation.

3. The preceding subdivisions shall not apply to property and equipment acquired and used by a state agency or institution through a lease purchase agreement and subsequently donated to the state agency or institution during or at the expiration of the lease purchase agreement, provided that the lessor is the Virginia College Building Authority.

4. The use of endowment funds for property, plant or equipment for state-owned facilities is subject to §§ 4-2.03 Indirect Costs, 4-4.01 Capital Projects-General and 4-5.03 Services and Clients of this act.

5. Notwithstanding any other provision of law, public institutions of higher education may enter into agreements or contracts with nonprofit organizations that provide funding for research or other mission related activities and require use of binding arbitration or application of the laws of another jurisdiction, upon approval of the Office of the Attorney General.

#### b. HIGHER EDUCATION TUITION AND FEES

1. Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, all nongeneral fund collections by public institutions of higher education, including collections from the sale of dairy and farm products, shall be deposited in the state treasury in accordance with § 2.2-1802, Code of Virginia, and expended by the institutions of higher education in accordance with the appropriations and provisions of this act, provided, however, that this requirement shall not apply to private gifts, endowment funds, or income derived from endowments and gifts.

2. a) The Boards of Visitors or other governing bodies of institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all resident student groups based on, but not limited to, competitive market rates, provided that the total revenue generated by the collection of tuition and fees from all students is within the nongeneral fund appropriation for educational and general programs provided in this act.

b) The Boards of Visitors or other governing bodies of institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all nonresident student groups based on, but not limited to, competitive market rates, provided that: i) the tuition and mandatory educational and general fee rates for nonresident undergraduate and graduate students cover at least 100 percent of the average cost of their education, as calculated through base adequacy guidelines adopted, and periodically amended, by the Joint Subcommittee Studying Higher Education Funding Policies, and ii) the total revenue generated by the collection of tuition and fees from all students is within the nongeneral fund appropriation for educational and general programs provided in this act.

c) For institutions charging nonresident students less than 100 percent of the cost of education, the State Council of Higher Education for Virginia may authorize a phased approach to meeting this requirement, when in its judgment, it would result in annual tuition and fee increases for nonresident students that would discourage their enrollment.

d) The Boards of Visitors or other governing bodies of institutions of higher education shall not increase the current proportion of nonresident undergraduate students if the institution's nonresident undergraduate enrollment exceeds 25 percent, unless: i) such enrollment is intended to support workforce development needs within the Commonwealth of Virginia as identified in consultation with the Virginia Economic Development Partnership, and ii) the number of in-state undergraduate students does not drop below fall 2018 full-time equivalent census levels as certified by the State Council of Higher Education for Virginia. Norfolk State University, Virginia Military Institute, Virginia State University, and two-year public institutions are exempt from this restriction. Any such increases shall be limited to no more than a one percentage point increase over the prior year.

3. a) In setting the nongeneral fund appropriation for educational and general programs at the institutions of higher education, the General Assembly shall take into consideration the appropriate student share of costs associated with providing full funding of the base adequacy guidelines referenced in subparagraph 2. b), raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other priorities set forth in this act.

b) In determining the appropriate state share of educational costs for resident students, the General Assembly shall seek to

cover at least 67 percent of educational costs associated with providing full funding of the base adequacy guidelines referenced in subparagraph 2. b), raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other priorities set forth in this act.

4. a) Each institution and the State Council of Higher Education for Virginia shall monitor tuition, fees, and other charges, as well as the mix of resident and nonresident students, to ensure that the primary mission of providing educational opportunities to citizens of Virginia is served, while recognizing the material contributions provided by the presence of nonresident students. The State Council of Higher Education for Virginia shall also develop and enforce uniform guidelines for reporting student enrollments and the domiciliary status of students.

b) The State Council of Higher Education for Virginia shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees no later than August 1 of each year the annual change in total charges for tuition and all required fees approved and allotted by the Board of Visitors. As it deems appropriate, the State Council of Higher Education for Virginia shall provide comparative national, peer, and market data with respect to charges assessed students for tuition and required fees at institutions outside of the Commonwealth.

c) Institutions of higher education are hereby authorized to make the technology service fee authorized in Chapter 1042, 2003 Acts of Assembly, part of ongoing tuition revenue. Such revenues shall continue to be used to supplement technology resources at the institutions of higher education.

d) Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 144 and 145 of the 2019 Acts of Assembly, each institution shall work with the State Council of Higher Education for Virginia and the Virginia College Savings Plan to determine appropriate tuition and fee estimates for tuition savings plans.

5. It is the intent of the General Assembly that each institution's combined general and nongeneral fund appropriation within its educational and general program closely approximate the anticipated annual budget each fiscal year.

6. Nonresident graduate students employed by an institution as teaching assistants, research assistants, or graduate assistants and paid at an annual contract rate of \$4,000 or more may be considered resident students for the purposes of charging tuition and fees.

7. The fund source "Higher Education Operating" within educational and general programs for institutions of higher education includes tuition and fee revenues from nonresident students to pay their proportionate share of the amortized cost of the construction of buildings approved by the Commonwealth of Virginia Educational Institutions Bond Act of 1992 and the Commonwealth of Virginia Educational Facilities Bond Act of 2002.

8. a) 1) Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly, mandatory fees for purposes other than educational and general programs shall not be increased for Virginia undergraduates beyond three percent annually, excluding requirements for wage, salary, and fringe benefit increases, authorized by the General Assembly. Fee increases required to carry out actions that respond to mandates of federal agencies are also exempt from this provision, provided that a report on the purposes of the amount of the fee increase is submitted to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by the institution of higher education at least 30 days prior to the effective date of the fee increase.

2) The University of Mary Washington is hereby authorized to undertake a review of its tuition and fee structure for the purpose of more closely aligning auxiliary fees, including room, board, and the comprehensive fee, with auxiliary expenditure budgets. Adjustments to mandatory fees in auxiliary programs may exceed three percent subject to annual approval by the University's Board of Visitors to the extent required to effect budgetary alignment of revenues and expenditures. This exemption will be limited to the period beginning in fiscal year 2019-20 and extending through the end of fiscal year 2023-24.

b) This restriction shall not apply in the following instances: fee increases directly related to capital projects authorized by the General Assembly; fee increases to support student health services; and other fee increases specifically authorized by the General Assembly.

c) Due to the small mandatory non-educational and general program fees currently assessed students in the Virginia Community College System, increases in any one year of no more than \$15 shall be allowed on a cost-justified case-by-case basis, subject to approval by the State Board for Community Colleges.

9. Any institution of higher education granting new tuition waivers to resident or nonresident students not authorized by the Code of Virginia must absorb the cost of any discretionary waivers.

10. Tuition and fee revenues from nonresident students taking courses through Virginia institutions from the Southern Regional Education Board's Southern Regional Electronic Campus must exceed all direct and indirect costs of providing instruction to those students. Tuition and fee rates to meet this requirement shall be established by the Board of Visitors of the institution.

c. HIGHER EDUCATION PLANNED EXCESS REVENUES:



An institution of higher education, except for those public institutions governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly, may generate and retain tuition and fee revenues in excess of those provided in § 4-2.01 b Higher Education Tuition and Fees, subject to the following:

1. Such revenues are identified by language in the appropriations in this act to any such institution.

2. The use of such moneys is fully documented by the institution to the Governor prior to each fiscal year and prior to allotment.

3. The moneys are supplemental to, and not a part of, ongoing expenditure levels for educational and general programs used as the basis for funding in subsequent biennia.

4. The receipt and expenditure of these moneys shall be recorded as restricted funds on the books of the Department of Accounts and shall not revert to the surplus of the general fund at the end of the biennium.

5. Tuition and fee revenues generated by the institution other than as provided herein shall be subject to the provisions of § 4-1.04 a.3 Gifts, Grants, and Other Nongeneral Funds of this act.

#### § 4-2.02 GENERAL FUND REVENUE

##### a. STATE AGENCY PAYMENTS INTO GENERAL FUND:

1. Except as provided in § 4-2.02 a.2., all moneys, fees, taxes, charges and revenues received at any time by the following agencies from the sources indicated shall be paid immediately into the general fund of the state treasury:

a) Marine Resources Commission, from all sources, except:

1) Revenues payable to the Public Oyster Rocks Replenishment Fund established by § 28.2-542, Code of Virginia.

2) Revenue payable to the Virginia Marine Products Fund established by § 3.2-2705, Code of Virginia.

3) Revenue payable to the Virginia Saltwater Recreational Fishing Development Fund established by § 28.2-302.3, Code of Virginia.

4) Revenue payable to the Marine Fishing Improvement Fund established by § 28.2-208, Code of Virginia.

5) Revenue payable to the Marine Habitat and Waterways Improvement Fund established by § 28.2-1206, Code of Virginia.

6) Revenue payable to the Oyster Leasing Conservation and Replenishment Programs Fund.

b1) Department of Labor and Industry, or any other agency, for the administration of the state labor and employment laws under Title 40.1, Code of Virginia.

2) Department of Labor and Industry, from boiler and pressure vessel inspection certificate fees, pursuant to § 40.1-51.15, Code of Virginia.

c) All state institutions for the mentally ill or intellectually disabled, from fees or per diem paid employees for the performance of services for which such payment is made, except for a fee or per diem allowed by statute to a superintendent or staff member of any such institution when summoned as a witness in any court.

d) Secretary of the Commonwealth, from all sources.

e) The Departments of Corrections and Juvenile Justice, as required by law, including revenues from sales of dairy and other farm products.

f) Auditor of Public Accounts, from charges for audits or examinations when the law requires that such costs be borne by the county, city, town, regional government or political subdivision of such governments audited or examined.

g) Department of Education, from repayment of student scholarships and loans, except for the cost of such collections.

h) Department of the Treasury, from the following source:

Fees collected for handling cash and securities deposited with the State Treasurer pursuant to § 46.2-454, Code of Virginia.

i) Attorney General, from recoveries of attorneys' fees and costs of litigation.

j) Department of Social Services, from net revenues received from child support collections after all disbursements are made in accordance with state and federal statutes and regulations, and the state's share of the cost of administering the programs is

paid.

k) Department of General Services, from net revenues received from refunds of overpayments of utilities charges in prior fiscal years, after deduction of the cost of collection and any refunds due to the federal government.

l) Without regard to paragraph e) above, the following revenues shall be excluded from the requirement for deposit to the general fund and shall be deposited as follows: (1) payments to Virginia Correctional Enterprises shall be deposited into the Virginia Correctional Enterprises Fund; (2) payments to the Departments of Corrections and Juvenile Justice for work performed by inmates, work release prisoners, probationers or wards, which are intended to cover the expenses of these inmates, work release prisoners, probationers, or wards, shall be retained by the respective agencies for their use; and (3) payments to the Departments of Corrections and Juvenile Justice for work performed by inmates in educational programs shall be retained by the agency to increase vocational training activities and to purchase work tools and work clothes for inmates, upon release.

2. The provisions of § 4-2.02 a.1. State Agency Payments into General Fund shall not apply to proceeds from the sale of surplus materials pursuant to § 2.2-1125, Code of Virginia. However, the State Comptroller is authorized to transfer to the general fund of the state treasury, out of the credits under § 4-1.04 a.1 Unappropriated Nongeneral Funds – Sale of Surplus Materials of this act, sums derived from the sale of materials originally purchased with general fund appropriations. The State Comptroller may authorize similar transfers of the proceeds from the sale of property not subject to § 2.2-1124, Code of Virginia, if said property was originally acquired with general fund appropriations, unless the General Assembly provides otherwise.

a. Without regard to § 4-2.02 a.1 above, payments to the Treasurer of Virginia assessed to insurance companies for the safekeeping and handling of securities or surety bonds deposited as insurance collateral shall be deposited into the Insurance Collateral Assessment Fund to defray such safekeeping and handling expenses.

#### b. DEFINITION OF GENERAL FUND REVENUE FOR PERSONAL PROPERTY RELIEF ACT

Notwithstanding any contrary provision of law, for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536, Code of Virginia, the term general fund revenues, excluding transfers, is defined as (i) all state taxes, including penalties and interest, required and/or authorized to be collected and paid into the general fund of the state treasury pursuant to Title 58.1, Code of Virginia; (ii) permits, fees, licenses, fines, forfeitures, charges for services, and revenue from the use of money and property required and/or authorized to be paid into the general fund of the treasury; and (iii) amounts required to be deposited to the general fund of the state treasury pursuant to § 4-2.02 a.1., of this act. However, in no case shall (i) lump-sum payments, (ii) one-time payments not generated from the normal operation of state government, or (iii) proceeds from the sale of state property or assets be included in the general fund revenue calculations for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536, Code of Virginia.

#### c. DATE OF RECEIPT OF REVENUES:

All June general fund collections received under Subtitle I of Title 58.1, Code of Virginia, bearing a postmark date or electronic transactions with a settlement or notification date on or before the first business day in July, when June 30 falls on a Saturday or Sunday, shall be considered as June revenue and recorded under guidelines established annually by the Department of Accounts.

#### d. RECOVERIES BY THE OFFICE OF THE ATTORNEY GENERAL

1. As a condition of the appropriation for Item 59 of this Act, there is hereby created the Disbursement Review Committee (the "Committee"), the members of which are the Attorney General, who shall serve as chairman; two members of the House of Delegates appointed by the Speaker of the House; two members of the Senate appointed by the Chairman of the Senate Committee on Rules; and two members appointed by the Governor.

2. Whenever forfeitures are available for distribution by the Attorney General through programs overseen by either the U.S. Department of Justice Asset Forfeiture Program or the U.S. Treasury Executive Office for Asset Forfeiture, by virtue of the Attorney General's participation on behalf of the Commonwealth or on behalf of an agency of the Commonwealth, the Attorney General shall seek input from the Committee, to the extent permissible under applicable federal law and guidelines, for the preparation of a proposed Distribution Plan (the "Plan") regarding the distribution and use of money or property, or both. If a federal entity must approve the Plan for such distribution or use, or both, and does not approve the Plan submitted by the Attorney General, the Plan may be revised if deemed appropriate and resubmitted to the federal entity for approval following notification of the Committee. If the federal entity approves the original Plan or a revised Plan, the Attorney General shall inform the Committee, and ensure that such money or property, or both, is distributed or used, or both, in a manner that is consistent with the Plan approved by the federal entity. The distribution of any money or property, or both, shall be done in a manner as prescribed by the State Comptroller and consistent with any federal authorization in order to ensure proper accounting on the books of the Commonwealth.

#### § 4-2.03 INDIRECT COSTS

##### a. INDIRECT COST RECOVERIES FROM GRANTS AND CONTRACTS:

Each state agency, including institutions of higher education, which accepts a grant or contract shall recover full statewide and agency indirect costs unless prohibited by the grantor agency or exempted by provisions of this act.

b. AGENCIES OTHER THAN INSTITUTIONS OF HIGHER EDUCATION:

The following conditions shall apply to indirect cost recoveries received by all agencies other than institutions of higher education:

1. The Governor shall include in the recommended nongeneral fund appropriation for each agency in this act the amount which the agency includes in its revenue estimate as an indirect cost recovery. The recommended nongeneral fund appropriations shall reflect the indirect costs in the program incurring the costs.

2. If actual agency indirect cost recoveries exceed the nongeneral fund amount appropriated in this act, the Director, Department of Planning and Budget, is authorized to increase the nongeneral fund appropriation to the agency by the amount of such excess indirect cost recovery. Such increase shall be made in the program incurring the costs.

3. Statewide indirect cost recoveries shall be paid into the general fund of the state treasury, unless the agency is specifically exempted from this requirement by language in this act. Any statewide indirect cost recoveries received by the agency in excess of the exempted sum shall be deposited to the general fund of the state treasury.

c. INSTITUTIONS OF HIGHER EDUCATION:

The following conditions shall apply to indirect cost recoveries received by institutions of higher education:

1. Seventy percent shall be retained by the institution as an appropriation of moneys for the conduct and enhancement of research and research-related requirements. Such moneys may be used for payment of principal of and interest on bonds issued by or for the institution pursuant to § 23.1-1106, Code of Virginia, for any appropriate purpose of the institution, including, but not limited to, the conduct and enhancement of research and research-related requirements.

2. Thirty percent of the indirect cost recoveries for the level of sponsored programs authorized in the appropriations in Part 1 of Chapter 1042 of the Acts of Assembly of 2003, shall be included in the educational and general revenues of the institution to meet administrative costs.

3. Institutions of higher education may retain 100 percent of the indirect cost recoveries related to research grant and contract levels in excess of the levels authorized in Chapter 1042 of the Acts of Assembly of 2003. This provision is included as an additional incentive for increasing externally funded research activities.

d. REPORTS

The Director, Department of Planning and Budget, shall make available via electronic means a report to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees and the public no later than September 1 of each year on the indirect cost recovery moneys administratively appropriated.

e. REGULATIONS:

The State Comptroller is hereby authorized to issue regulations to carry out the provisions of this subsection, including the establishment of criteria to certify that an agency is in compliance with the provisions of this subsection.

**§ 4-3.00 DEFICIT AUTHORIZATION AND TREASURY LOANS**

§ 4-3.01 DEFICITS

a. GENERAL:

1. Except as provided in this section no state agency shall incur a deficit. No state agency receiving general fund appropriations under the provisions of this act shall obligate or expend moneys in excess of its general fund appropriations, nor shall it obligate or expend moneys in excess of nongeneral fund revenues that are collected and appropriated.

2. The Governor is authorized to approve deficit funding for a state agency under the following conditions:

a) an unanticipated federal or judicial mandate has been imposed,

b) insufficient moneys are available in the first year of the biennium for start-up of General Assembly-approved action, or

c) delay pending action by the General Assembly at its next legislative session will result in the curtailment of services required by statute or those required by federal mandate or will produce a threat to life, safety, health or property.

d) Such approval by the Governor shall be in writing under the conditions described in § 4-3.02 a Authorized Deficit Loans of this act and shall be promptly communicated to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees within five calendar days of deficit approval.

3. Deficits shall not be authorized for capital projects.

4. The Department of Transportation may obligate funds in excess of the current biennium appropriation for projects of a capital nature not covered by § 4-4.00 Capital Projects, of this act provided such projects a) are delineated in the Virginia Transportation Six-Year Improvement Program, as approved by the Commonwealth Transportation Board; and b) have sufficient cash allocated to each such project to cover projected costs in each year of the Program; and provided that c) sufficient revenues are projected to meet all cash obligations for such projects as well as all other commitments and appropriations approved by the General Assembly in the biennial budget.

b. UNAUTHORIZED DEFICITS: If any agency contravenes any of the prohibitions stated above, thereby incurring an unauthorized deficit, the Governor is hereby directed to withhold approval of such excess obligation or expenditure. Further, there shall be no reimbursement of said excess, nor shall there be any liability or obligation upon the state to make any appropriation hereafter to meet such unauthorized deficit. Further, those members of the governing board of any such agency who shall have voted therefor, or its head if there be no governing board, making any such excess obligation or expenditure shall be personally liable for the full amount of such unauthorized deficit and, at the discretion of the Governor, shall be deemed guilty of neglect of official duty and be subject to removal therefor. Further, the State Comptroller is hereby directed to make public any such unauthorized deficit, and the Director, Department of Planning and Budget, is hereby directed to set out such unauthorized deficits in the next biennium budget. In addition, the Governor is directed to bring this provision of this act to the attention of the members of the governing board of each state agency, or its head if there be no governing board, within two weeks of the date that this act becomes effective. The governing board or the agency head shall execute and return to the Governor a signed acknowledgment of such notification.

c. TOTAL AUTHORIZED DEFICITS: The amount which the Governor may authorize, under the provisions of this section during the current biennium, to be expended from loans repayable out of the general fund of the state treasury, for all state agencies, or other agencies combined, in excess of general fund appropriations for the current biennium, shall not exceed one and one-half percent (1 1/2%) of the revenues collected and paid into the general fund of the state treasury as defined in § 4-2.02 b. of this act during the last year of the previous biennium and the first year of the current biennium.

d. The Governor shall report any such authorized and unauthorized deficits to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees within five calendar days of deficit approval. By August 15 of each year, the Governor shall provide a comprehensive report to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees detailing all such deficits.

#### § 4-3.02 TREASURY LOANS

a. AUTHORIZED DEFICIT LOANS: A state agency requesting authorization for deficit spending shall prepare a plan for the Governor's review and approval, specifying appropriate financial, administrative and management actions necessary to eliminate the deficit and to prevent future deficits. If the Governor approves the plan and authorizes a state agency to incur a deficit under the provisions of this section, the amount authorized shall be obtained by the agency by borrowing the authorized amount on such terms and from such sources as may be approved by the Governor. At the close of business on the last day of the current biennium, any unexpended balance of such loan shall be applied toward repayment of the loan, unless such action is contrary to the conditions of the loan approval. The Director, Department of Planning and Budget, shall set forth in the next biennial budget all such loans which require an appropriation for repayment. A copy of the approved plan to eliminate the deficit shall be transmitted to the Chairmen of the House Appropriations and the Senate Finance and Appropriations Committees within five calendar days of approval.

b. ANTICIPATION LOANS: Authorization for anticipation loans are limited to the provisions below.

1.a) When the payment of authorized obligations for operating expenses is required prior to the collection of nongeneral fund revenues, any state agency may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or his designee as to the amount, terms and sources of such funds; such loans shall not exceed the amount of the anticipated collections of such revenues and shall be repaid only from such revenues when collected.

b) When the payment of authorized obligations for capital expenses is required prior to the collection of nongeneral fund revenues or proceeds from authorized debt, any state agency or body corporate and politic, constituting a public corporation and government instrumentality, may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or his designee as to the amount, terms and sources of such funds; such loans in anticipation of bond proceeds shall not exceed the amount of the anticipated proceeds from debt authorized by the General Assembly and shall be repaid only from such proceeds when collected.

2. Anticipation loans for operating expenses shall be in amounts not greater than the sum identified by the agency as the minimum amount required to meet the projected expenditures. The term of any anticipation loans granted for operating expenses shall not exceed twelve months.

3. Before an anticipation loan for a capital project is authorized, the agency shall develop a plan for financing such capital project; approval of the State Treasurer shall be obtained for all plans to incur authorized debt.

4. Anticipation loans for capital projects shall be in amounts not greater than the sum identified by the agency as required to meet the projected expenditures for the project within the current biennium.

5. To ensure that such loans are repaid as soon as practical and economical, the Department of Planning and Budget shall monitor the construction and expenditure schedules of all approved capital projects that will be paid for with proceeds from authorized debt and have anticipation loans.

6. Unless otherwise prohibited by federal or state law, the State Treasurer shall charge current market interest rates on anticipation loans made for operating purposes and capital projects subject to the following:

a) Anticipation loans for capital projects for which debt service will be paid with general fund appropriations shall be exempt from interest payments on borrowed balances.

b) Interest payments on anticipation loans for nongeneral fund capital projects or nongeneral fund operating expenses shall be made from appropriated nongeneral fund revenues. Such interest shall not be paid with the funds from the anticipation loan or from the proceeds of authorized debt without the approval of the State Treasurer.

c) REPORTING: All outstanding loans shall be reported by the Governor to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by August 15 of each year. The report shall include a status of the repayment schedule for each loan.

c. ANTICIPATION LOANS FOR PROJECTS NOT INCLUDED IN THIS ACT OR FOR PROJECTS AUTHORIZED UNDER § 4-4.01 L: Authorization for anticipation loans for projects not included in this act or for projects authorized under § 4-4.01 l are limited to the provisions below:

1. Such loans are limited to those projects that shall be repaid from revenues derived from nongeneral fund sources.

2.a) When the payment of authorized obligations for operating expenses is required prior to the collection of nongeneral fund revenues, any state agency may borrow from the state treasury the required sum with the prior written approval of the Secretary of Finance or his designee as to the amount, terms, and sources of such funds. Such loans shall not exceed the amount of the anticipated collections of such nongeneral fund revenues and shall be repaid only from such nongeneral fund revenues when collected.

b) When the payment of obligations for capital expenses for projects authorized under § 4-4.01 l is required prior to the collection of nongeneral fund revenues, any state agency or body corporate and politic, constituting a public corporation and government instrumentality, may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or his designee as to the amount, terms and sources of such funds. Such loans shall be repaid only from nongeneral fund revenues associated with the project.

3. Anticipation loans for operating expenses shall be in amounts not greater than the sum identified by the agency as the minimum amount required to meet projected expenditures. The term of any anticipation loans granted for operating expenses shall not exceed 12 months.

4. Before an anticipation loan is provided for a capital project authorized under § 4-4.01 l, the agency shall develop a plan for repayment of such loan and approval of the Director of the Department of Planning and Budget shall be obtained for all such plans and reported to the Chairman of the House Appropriations and Senate Finance and Appropriations Committees.

5. Anticipation loans for capital projects authorized under § 4-4.01 l shall be in amounts not greater than the sum identified by the agency as required to meet the projected expenditures for the project within the current biennium. Such loans shall be repaid only from nongeneral fund revenues associated with the project.

6. The State Treasurer shall charge current market interest rates on anticipation loans made for capital projects authorized under § 4-4.01 l. Interest payments on anticipation loans for nongeneral fund capital projects authorized under § 4-4.01 l shall be made from appropriated nongeneral fund revenues. Such interest shall not be paid with the funds from the anticipation loan without the approval of the Director of the Department of Planning and Budget.

a) REPORTING: All outstanding loans shall be reported by the Governor to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by August 15 of each year. The report shall include a status of the repayment schedule for each loan.

#### § 4-3.03 LONG-TERM LEASES

a. GENERAL:

1. As part of their capital budget submission, all agencies and institutions of the Commonwealth proposing building projects that may qualify as long-term lease agreements, as defined in Generally Accepted Accounting Principles (GAAP), and that may be supported in whole, or in part, from appropriations provided for in this act, shall submit copies of such proposals to the Directors of the Departments of Planning and Budget and General Services, the State Comptroller, and the State Treasurer based on guidelines promulgated by the Secretary of Finance. In addition, the Secretary of Finance may promulgate guidelines for the review and approval of such requests.

2. The proposals shall be submitted in such form as the Secretary of Finance may prescribe. The Comptroller and the Director, Department of General Services shall be responsible for evaluating the proposals to determine if they qualify as long-term lease agreements. The State Treasurer shall be responsible for incorporating existing and authorized long-term lease agreements meeting the approved parameters into the annual Debt Capacity Advisory Committee reports.

**b. APPROVAL OF FINANCINGS:**

1. For any project which qualifies as a long-term lease, as defined in the preceding subdivisions a 1 and 2, and which is financed through the issuance of securities, the Treasury Board shall approve the terms and structure of such financing pursuant to § 2.2-2416, Code of Virginia.

2. For any project for which costs will exceed \$5,000,000 and which is financed through a long-term lease transaction, the Treasury Board shall approve the financing terms and structure of such long-term lease in addition to such other reviews and approvals as may be required by law. Prior to consideration by the Treasury Board, the Departments of Accounts shall notify the Treasury Board of any transaction determined to be a long-term lease. Additionally, the Departments of General Services and Planning and Budget shall notify the Treasury Board upon their approval of any transaction which qualifies as a long-term lease under the terms of this section. The State Treasurer shall notify the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees of the action of the Treasury Board as it regards this subdivision within five calendar days of its action.

c. **REPORTS:** Not later than December 20 of each year, the Secretary of Finance and the Secretary of Administration shall jointly be responsible for providing the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees with recommendations involving proposed long-term lease agreements.

d. This section shall not apply to long-term leases that are funded entirely with nongeneral fund revenues and are entered into by public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly. Furthermore, the Department of General Services is authorized to enter into long-term leases for executive branch agencies provided that the resulting long-term lease is funded entirely with nongeneral funds, is approved based on the requirements of § 4-3.03 b.1 and 2 above, and would not be considered tax supported debt of the Commonwealth.

**§ 4-4.00 CAPITAL PROJECTS**

**§ 4-4.01 GENERAL**

**a. Definition:**

1. Unless defined otherwise, when used in this section, "capital project" or "project" means acquisition of property and new construction and improvements related to state-owned property, plant or equipment (including plans therefor), as the terms "acquisition", "new construction", and "improvements" are defined in the instructions for the preparation of the Executive Budget. "Capital project" or "project" shall also mean any improvements to property leased for use by a state agency, and not owned by the state, when such improvements are financed by public funds, except as hereinafter provided in subdivisions 3 and 4 of this subsection.

2. The provisions of this section are applicable equally to acquisition of property and plant by purchase, gift, or any other means, including the acquisition of property through a lease/purchase contract, regardless of the method of financing or the source of funds. Acquisition of property by lease shall be subject to § 4-3.03 of this act.

3. The provisions of this section shall not apply to property or equipment acquired by lease or improvements to leased property and equipment when the improvements are provided by the lessor pursuant to the terms of the lease and upon expiration of the lease remain the property of the lessor.

4. The provisions of this section shall not apply to property leased by state agencies for the purposes described in §§ 2.2-1151 C and 33.2-1010, Code of Virginia.

**b. Notwithstanding any other provisions of law, requests for appropriations for capital projects shall be subject to the following:**

1. The agency shall submit a capital project proposal for all requested capital projects. Such proposals shall be submitted to the Director, Department of Planning and Budget, for review and approval in accordance with guidelines prescribed by the director. Projects shall be developed to meet agency functional and space requirements within a cost range comparable to similar public and private sector projects.

2. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly, financings for capital projects shall comply, where applicable, with the Treasury Board Guidelines issued pursuant to § 2.2-2416, Code of Virginia, and any subsequent amendments thereto.

3. As part of any request for appropriations for an armory, the Department of Military Affairs shall obtain a written commitment from the host locality to share in the operating expense of the armory.

c. Each agency head shall provide annually to the Director, Department of Planning and Budget, a report on the use of the maintenance reserve appropriation of the agency in Part 2 of this act. In the use of its maintenance reserve appropriation, an agency shall give first priority to the repair or replacement of roof on buildings under control of the agency. The agency head shall certify in the agency's annual maintenance reserve report that to the best of his or her knowledge, all necessary roof repairs have been accomplished or are in the process of being accomplished. Such roof repairs and replacements shall be in accord with the technical requirements of the Commonwealth's Construction and Professional Services Manual.

d. The Department of Planning and Budget shall review its approach to capital outlay planning and budgeting from time to time and make available via electronic means a report of any proposed change to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the public prior to its implementation. Such report shall include an analysis of the impact of the suggested change on affected agencies and institutions.

e. Nothing in §§ 2-0 and 4-4.00 of this act shall be deemed to override the provisions of §§ 2.2-1132 and 62.1-132.6, Code of Virginia, amended by Chapter 488, 1997 Acts of Assembly, relating to Virginia Port Authority capital projects and procurement activities.

f. Legislative Approval: It is the intent of the General Assembly that, with the exceptions noted in this paragraph and paragraph m, all capital projects to be undertaken by agencies of the Commonwealth, including institutions of higher education, shall be pursuant to approvals by the General Assembly as provided in the Six-Year Capital Outlay Plan established pursuant to § 2.2-1515, et seq., Code of Virginia. Otherwise, the consideration of capital projects shall be limited to:

1. Supplementing projects which have been bid and determined to have insufficient funding to be placed under contract, and

2. Projects declared by the Governor or the General Assembly to be of an emergency nature, which may avoid an increase in cost or otherwise result in a measurable benefit to the state, and/or which are required for the continued use of existing facilities.

3. This paragraph does not prohibit the initiation of projects authorized by § 4-4.01 l hereof, or projects included under the central appropriations for capital project expenses in this act.

g. Preliminary Requirements: In regard to each capital project for which appropriation or reappropriation is made pursuant to this act, or which is hereafter considered by the Governor for inclusion in the Executive Budget, or which is offered as a gift or is considered for purchase, the Governor is hereby required: (1) to determine the urgency of its need, as compared with the need for other capital projects as herein authorized, or hereafter considered; (2) to determine whether the proposed plans and specifications for each capital project are suitable and adequate, and whether they involve expenditures which are excessive for the purposes intended; (3) to determine whether labor, materials, and other requirements, if any, needed for the acquisition or construction of such project can and will be obtained at reasonable cost; and (4) to determine whether or not the project conforms to a site or master plan approved by the agency head or board of visitors of an institution of higher education for a program approved by the General Assembly.

h. Initiation Generally:

1. No architectural or engineering planning for, or construction of, or purchase of any capital project shall be commenced or revised without the prior written approval of the Governor or his designee.

2. The requirements of § 10.1-1190, Code of Virginia, shall be met prior to the release of funds for a major state project, provided, however, that the Governor or his designee is authorized to release from any appropriation for a major state project made pursuant to this act such sum or sums as may be necessary to pay for the preparation of the environmental impact report required by § 10.1-1188, Code of Virginia.

3. The Governor, at his discretion, or his designee may release from any capital project appropriation or reappropriation made pursuant to this act such sum (or sums) as may be necessary to pay for the preparation of plans and specifications by architects and engineers, provided that the estimated cost of the construction covered by such drawings and specifications does not exceed the appropriation therefor; provided, further, however, that the architectural and engineering fees paid on completion of the preliminary design for any such project may be based on such estimated costs as may be approved by the Governor in writing, where it is shown to the satisfaction of the Governor that higher costs of labor or material, or both, or other unforeseen conditions, have made the appropriation inadequate for the completion of the project for which the appropriation was made, and where in the judgment of the Governor such changed conditions justify the payment of architectural or engineering fees based on costs exceeding the appropriation.

4. Architectural or engineering contracts shall not be awarded in perpetuity for capital projects at any state institution, agency or activity.

i. Capital Projects Financed with Bonds: Capital projects proposed to be financed with (i) 9 (c) general obligation bonds or (ii) 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the agency or institution, shall be reviewed as follows:



1. By August 15 of each year, requests for inclusion in the Executive Budget of capital projects to be financed with 9(c) general obligation bonds shall be submitted to the State Treasurer for evaluation of financial feasibility. Submission shall be in accordance with the instructions prescribed by the State Treasurer. The State Treasurer shall distribute copies of financial feasibility studies to the Director, Department of Planning and Budget, the Secretary for the submitting agency or institution, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, State Council of Higher Education for Virginia, if the project is requested by an institution of higher education.

2. By August 15 of each year, institutions shall also prepare and submit copies of financial feasibility studies to the State Council of Higher Education for Virginia for 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the institution. The State Council of Higher Education for Virginia shall identify the impact of all projects requested by the institutions of higher education, and as described in § 4-4.01 j.1. of this act, on the current and projected cost to students in institutions of higher education and the impact of the project on the institution's need for student financial assistance. The State Council of Higher Education for Virginia shall report such information to the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees no later than October 1 of each year.

3. Prior to the issuance of debt for 9(c) general obligation projects, when more than one year has elapsed since the review of financial feasibility specified in § 4-4.01 j 1 above, an updated feasibility study shall be prepared by the agency and reviewed by the State Treasurer prior to requesting the Governor's Opinion of Financial Feasibility required under Article X, Section 9 (c), of the Constitution of Virginia.

j. Transfers to supplement capital projects from nongeneral funds may be made under the conditions set forth in §§ 4-1.03 a, 4-1.04 a.3, and 4-4.01 l of this act.

k.1. Change in Size and Scope: Unless otherwise provided by law, the scope, which is the function or intended use, of any capital project may not be substantively changed, nor its size increased or decreased by more than five percent in size beyond the plans and justification which were the basis for the appropriation or reappropriation in this act or for the Governor's authorization pursuant to § 4-4.01 l of this act. However, this prohibition is not applicable to changes in size and scope required because of circumstances determined by the Governor to be an emergency, or requirements imposed by the federal government when such capital project is for armories or other defense-related installations and is funded in whole or in part by federal funds. Furthermore, this prohibition shall not apply to minor increases, beyond five percent, in square footage determined by the Director, Department of General Services, to be reasonable and appropriate based on a written justification submitted by the agency stating the reason for the increase, with the provision that such increase will not increase the cost of the project beyond the amount appropriated; nor to decreases in size beyond five percent to offset unbudgeted costs when such costs are determined by the Director, Department of Planning and Budget, to be reasonable based on a written justification submitted by the agency specifying the amount and nature of the unbudgeted costs and the types of actions that will be taken to decrease the size of the project. The written justification shall also include a certification, signed by the agency head, that the resulting project will be consistent with the original programmatic intent of the appropriations.

2. If space planning, energy conservation, and environmental standards guides for any type of construction have been approved by the Governor or the General Assembly, the Governor shall require capital projects to conform to such planning guides.

l. Projects Not Included In This Act:

1. Authorization by Governor:

a) The Governor may authorize initiation of, planning for, construction of or acquisition of a nongeneral fund capital project not specifically included in this act or provided for a program approved by the General Assembly through appropriations, under one or more of the following conditions:

1) The project is required to meet an emergency situation.

2) The project is to be operated as an auxiliary enterprise or sponsored program in an institution of higher education and will be fully funded by revenues of auxiliary enterprises or sponsored programs.

3) The project is to be operated as an educational and general program in an institution of higher education and will be fully funded by nongeneral fund revenues of educational and general programs or from private gifts and indirect cost recoveries.

4) The project consists of plant or property which has become available or has been received as a gift.

5) The project has been recommended for funding by the Tobacco Indemnification and Community Revitalization Commission or the Virginia Tobacco Settlement Foundation.

b) The foregoing conditions are subject to the following criteria:

1) Funds are available within the appropriations made by this act (including those subject to §§ 4-1.03 a, 4-1.04 a.3, and 4-2.03) without adverse effect on other projects or programs, or from unappropriated nongeneral fund revenues or balances.



2) In the Governor's opinion such action may avoid an increase in cost or otherwise result in a measurable benefit to the state.

3) The authorization includes a detailed description of the project, the project need, the total project cost, the estimated operating costs, and the fund sources for the project and its operating costs.

4) The Chairmen of the House Appropriations and Senate Finance and Appropriations Committees shall be notified by the Governor prior to the authorization of any capital project under the provisions of this subsection.

5) Permanent funding for any project initiated under this section shall only be from nongeneral fund sources.

2. Authorization by Director, Department of Planning and Budget:

a) The Director, Department of Planning and Budget, may authorize initiation of a capital project not included in this act, if the General Assembly has enacted legislation to fund the project from bonds of the Virginia Public Building Authority, Virginia College Building Authority, or from reserves created by refunding of bonds issued by those Authorities.

3. Delegated authorization by Boards of Visitors, Public Institutions of Higher Education:

a) In accordance with § 4-5.06 of this act, the board of visitors of any public institution of higher education that: i) has met the eligibility criteria set forth in Chapters 933 and 945 of the 2005 Acts of Assembly for additional operational and administrative autonomy, including having entered into a memorandum of understanding with the Secretary of Administration for delegated authority of nongeneral fund capital outlay projects, and ii) has received a sum sufficient nongeneral fund appropriation for emergency projects as set out in Part 2: Capital Project Expenses of this act, may authorize the initiation of any capital project that is not specifically set forth in this act provided that the project meets at least one of the conditions and criteria identified in § 4-4.01 1 1 of this act.

b) At least 30 days prior to the initiation of a project under this provision, the board of visitors must notify the Governor and Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and must provide a life-cycle budget analysis of the project. Such analysis shall be in a form to be prescribed by the Auditor of Public Accounts.

c) The Commonwealth of Virginia shall have no general fund obligation for the construction, operation, insurance, routine maintenance, or long-term maintenance of any project authorized by the board of visitors of a public institution of higher education in accordance with this provision.

m. Acquisition, maintenance, and operation of buildings and nonbuilding facilities in colleges and universities shall be subject to the following policies:

1. The anticipated program use of the building or nonbuilding facility should determine the funding source for expenditures for acquisition, construction, maintenance, operation, and repairs.

2. For new campuses to be established within the Virginia Community College System, expenditures for land acquisition, site preparation beyond five feet from a building, and the construction of additional outdoor lighting, sidewalks, outdoor athletic and recreational facilities, and parking lots in the Virginia Community College System shall be made only from appropriated federal funds, Trust and Agency funds, including local government allocations or appropriations, or the proceeds of indebtedness authorized by the General Assembly.

3. The general policy of the Commonwealth shall be that parking services are to be operated as an auxiliary enterprise by all colleges and universities. Institutions should develop sufficient reserves for ongoing maintenance and replacement of parking facilities.

4. Except as provided in paragraph 2 above, expenditures for maintenance, replacement, and repair of outdoor lighting, sidewalks, and other infrastructure facilities may be made from any appropriated funds.

5. Expenditures for operations, maintenance, and repair of athletic, recreational, and public service facilities, both indoor and outdoor, should be from nongeneral funds. However, this condition shall not apply to any indoor recreational facility existing on a community college campus as of July 1, 1988.

6.a.1. At institutions of higher education that have met the eligibility criteria for additional operational and administrative authority as set forth in Chapters 933 and 945 of the 2005 Acts of Assembly or Chapters 824 and 829 of the 2008 Acts of Assembly, any repair, renovation, or new construction project costing up to \$3,000,000 shall be exempt from the capital outlay review and approval process. For purposes of this paragraph, projects shall not include any subset of a series of projects, which in combination would exceed the \$3,000,000 maximum.

2. All state agencies and institutions of higher education shall be exempt from the capital review and approval process for repair, renovation, or new construction projects costing up to \$3,000,000.

b. Blanket authorizations funded entirely by nongeneral funds may be used for 1) renovation and infrastructure projects costing up to \$3,000,000 and 2) the planning of nongeneral fund new construction and renovation projects through bidding, with bid

award made after receipt of a construction authorization. The Director, Department of Planning and Budget, may provide exemptions to the threshold.

7. It is the policy of the Commonwealth that the institutions of higher education shall treat the maintenance of their facilities as a priority for the allocation of resources. No appropriations shall be transferred from the "Operation and Maintenance of Plant" subprogram except for closely and definitely related purposes, as approved by the Director, Department of Planning and Budget, or his designee. A report providing the rationale for each approved transfer shall be made to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

n. Legislative Intent and Reporting: Appropriations for capital projects shall be deemed to have been made for purposes which require their expenditure, or being placed under contract for expenditure, during the current biennium. Agencies to which such appropriations are made in this act or any other act are required to report progress as specified by the Governor. If, in the opinion of the Governor, these reports do not indicate satisfactory progress, he is authorized to take such actions as in his judgment may be necessary to meet legislative intent as herein defined. Reporting on the progress of capital projects shall be in accordance with § 4-8.00, Reporting Requirements.

o. No expenditure from a general fund appropriation in this act shall be made to expand or enhance a capital outlay project beyond that anticipated when the project was initially approved by the General Assembly except to comply with requirements imposed by the federal government when such capital project is for armories or other defense-related installations and is funded in whole or in part by federal funds. General fund appropriations in excess of those necessary to complete the project shall not be reallocated to expand or enhance the project, or be reallocated to a different project. The prohibitions in this subsection shall not apply to transfers from projects for which reappropriations have been authorized.

p. Local or private funds to be used for the acquisition, construction or improvement of capital projects for state agency use as owner or lessee shall be deposited into the state treasury for appropriation prior to their expenditure for such projects.

q. State-owned Registered Historic Landmarks: To guarantee that the historical and/or architectural integrity of any state-owned properties listed on the Virginia Landmarks Register and the knowledge to be gained from archaeological sites will not be adversely affected because of inappropriate changes, the heads of those agencies in charge of such properties are directed to submit all plans for significant alterations, remodeling, redecoration, restoration or repairs that may basically alter the appearance of the structure, landscaping, or demolition to the Department of Historic Resources. Such plans shall be reviewed within thirty days and the comments of that department shall be submitted to the Governor through the Department of General Services for use in making a final determination.

r.1. The Governor may authorize the conveyance of any interest in property or improvements thereon held by the Commonwealth to the educational or real estate foundation of any institution of higher education where he finds that such property was acquired with local or private funds or by gift or grant to or for the use of the institution, and not with funds appropriated to the institution by the General Assembly. Any approved conveyance shall be exempt from § 2.2-1156, Code of Virginia, and any other statute concerning conveyance, transfer or sale of state property. If the foundation conveys any interest in the property or any improvements thereon, such conveyance shall likewise be exempt from compliance with any statute concerning disposition of state property. Any income or proceeds from the conveyance of any interest in the property shall be deemed to be local or private funds and may be used by the foundation for any foundation purpose.

2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly.

s.1. Facility Lease Agreements Involving Institutions of Higher Education: In the case of any lease agreement involving state-owned property controlled by an institution of higher education, where the lease has been entered into consistent with the provisions of § 2.2-1155, Code of Virginia, the Governor may amend, adjust or waive any project review and reporting procedures of Executive agencies as may reasonably be required to promote the property improvement goals for which the lease agreement was developed.

2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly.

t. Energy-efficiency Projects: Improvements to state-owned properties for the purpose of energy-efficiency shall be treated as follows:

1. Such improvements shall be considered an operating expense, provided that:

a) the scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), the Illuminating Engineering Society (IES) standard 90.1-1989 and is limited to measures listed in guidelines issued by the Department of General Services;

b) the project is financed consistent with the provisions of § 2.2-2417, Code of Virginia, which requires Treasury Board approval

and is executed through a nonprofessional services contract with a vendor approved by the Department of General Services;

c) the scope of work has been reviewed and recommended by the Department of Energy;

d) the total cost does not exceed \$3,000,000; and

e) if the total cost exceeds \$3,000,000, but does not exceed \$7,000,000, the energy savings from the project offset the total cost of the project, including debt service and interest payments.

2. If (a) the total cost of the improvement exceeds \$7,000,000 or (b) the total cost exceeds \$3,000,000, but does not exceed \$7,000,000, and the energy savings from the project do not fully offset the total cost of the project, including debt services and interest payments, the improvement shall be considered a capital expense regardless of the type of improvement and the following conditions must be met:

a) the scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), the Illuminating Engineering Society (IES) standard 90.1-1989 and is limited to measures listed in guidelines issued by the Department of General Services;

b) the project is financed consistent with the provisions of § 2.2-2417, Code of Virginia, which requires Treasury Board approval and is executed through a nonprofessional services contract with a vendor approved by the Department of General Services;

c) the scope of work has been reviewed and recommended by the Department of Energy;

d) the project has been reviewed by the Department of Planning and Budget; and

e) the project has been approved by the Governor.

3. If the total project exceeds \$250,000, the agency director will submit written notification to the Director, Department of Planning and Budget, verifying that the project meets all of the conditions in subparagraph 1 above.

The provisions of §§ 2.0 and 4-4.01 of this act and the provisions of § 2.2-1132, Code of Virginia, shall not apply to energy conservation projects that qualify as capital expenses.

4. As used in this paragraph, "improvement" does not include (a) constructing, enlarging, altering, repairing or demolishing a building or structure, (b) changing the use of a building either within the same use group or to a different use group when the new use requires greater degrees of structural strength, fire protection, exit facilities or sanitary provisions, or (c) removing or disturbing any asbestos-containing materials during demolition, alteration, renovation of or additions to building or structures. If the projected scope of an energy-efficiency project includes any of these elements, it shall be subject to the capital outlay process as set out in this section.

5. The Director, Department of Planning and Budget, shall notify the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees upon the initiation of any energy-efficiency projects under the provisions of this paragraph.

u. No expenditures shall be authorized for the purchase of fee simple title to any real property to be used for a correctional facility or for the actual construction of a correctional facility provided for in this act, or by reference hereto, that involves acquisition or new construction of youth or adult correctional facilities on real property which was not owned by the Commonwealth on January 1, 1995, until the governing body of the county, city or town wherein the project is to be located has adopted a resolution supporting the location of such project within the boundaries of the affected jurisdiction. The foregoing does not prohibit expenditures for site studies, real estate options, correctional facility design and related expenditures.

v. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly, any alternative financing agreement entered into between a state agency or institution of higher education and a private entity or affiliated foundation must be reviewed and approved by the Treasury Board.

w. Prior to requesting authorization for new dormitory capital projects, institutions of higher education shall conduct a cost study to determine whether an alternative financing arrangement or public-private transaction would provide a more effective option for the construction of the proposed facility. This study shall be submitted to the Department of Planning and Budget as part of the budget development process and shall be evaluated by the Governor prior to submitting his proposed budget.

x. Construction or improvement projects of the Department of Military Affairs are not exempt from the capital outlay review process when the state procurement process is utilized, except for those projects with both an estimated cost of \$3,000,000 or less and are 100 percent federally reimbursed. The Department of Military Affairs shall submit by July 30 of each year to the Department of Planning and Budget a list of such projects that were funded pursuant to this exemption in the previous fiscal

year and any projects that would be eligible for such funding in future fiscal years.

#### § 4-4.02 PLANNING AND BUDGETING

a. It shall be the intent of the General Assembly to make biennial appropriations for a capital improvements program sufficient to address the program needs of the Commonwealth. The capital improvements program shall include maintenance and deferred maintenance of the Commonwealth's existing facilities, and of the facility requirements necessary to deliver the programs of state agencies and institutions.

b. In effecting these policies, the Governor shall establish a capital budget plan to address the renewal and replacement of the Commonwealth's physical plant, using such guidelines as recommended by industry or government to maintain the Commonwealth's investment in its property and plant.

### § 4-5.00 SPECIAL CONDITIONS AND RESTRICTIONS ON EXPENDITURES

#### § 4-5.01 TRANSACTIONS WITH INDIVIDUALS

a. SETTLEMENT OF CLAIMS: Whenever a dispute, claim or controversy involving the interest of the Commonwealth is settled pursuant to § 2.2-514, Code of Virginia, payment may be made out of any appropriations, designated by the Governor, to the state agency(ies) which is (are) party to the settlement.

b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:

1. General:

a) The appropriations made in this act to state institutions of higher education within the Items for student financial assistance may be expended for any one, all, or any combination of the following purposes: grants to undergraduate students enrolled at least one-half time in a degree, certificate, industry-based certification and related programs that do not qualify for other sources of student financial assistance or diploma program; grants to full-time graduate students; graduate assistantships; grants to students enrolled full-time in a dual or concurrent undergraduate and graduate program. The institutions may also use these appropriations for the purpose of supporting work study programs. The institution is required to transfer to educational and general appropriations all funds used for work study or to pay graduate assistantships. Institutions may also contribute to federal or private student grant aid programs requiring matching funds by the institution, except for programs requiring work. The State Council of Higher Education for Virginia shall annually review each institution's plan for the expenditures of its general fund appropriation for undergraduate student financial assistance prior to the start of the fall term to determine program compliance. The institution's plan shall include the institution's assumptions and calculations for determining the cost of attendance, student financial need, and student remaining need as well as an award schedule or description of how funds are awarded. For the purposes of the proposed plan, each community college shall be considered independently. No limitations shall be placed on the awarding of nongeneral fund appropriations made in this act to state institutions of higher education within the Items for student financial assistance other than those found previously in this paragraph and as follows: (i) funds derived from in-state student tuition will not subsidize out-of-state students, (ii) students receiving these funds must be making satisfactory academic progress, (iii) awards made to students should be based primarily on financial need, and (iv) institutions should make larger grant and scholarship awards to students taking the number of credit hours necessary to complete a degree in a timely manner.

b) All awards made to undergraduate students from such Items shall be for Virginia students only and such awards shall offset all, or portions of, the costs of tuition and required fees, and, in the case of students qualifying under subdivision b 2 c)1) hereof, the cost of books. All undergraduate financial aid award amounts funded by this appropriation shall be proportionate to the remaining need of individual students, with students with higher levels of remaining need receiving grants before other students. No criteria other than the need of the student shall be used to determine the award amount. Because of the low cost of attendance and recognizing that federal grants provide a much higher portion of cost than at other institutions, a modified approach and minimum award amount for the neediest VGAP student should be implemented for community college and Richard Bland College students based on remaining need and the combination of federal and grant state aid. Student financial need shall be determined by a need-analysis system approved by the Council.

c)1) All need-based awards made to graduate students shall be determined by the use of a need-analysis system approved by the Council.

2) As part of the six-year financial plans required in the provisions of Chapters 933 and 945 of the 2005 Acts of Assembly, each institution of higher education shall report the extent to which tuition and fee revenues are used to support graduate student aid and graduate compensation and how the use of these funds impacts planned increases in student tuition and fees.

d) A student who receives a grant under such Items and who, during a semester, withdraws from the institution which made the award must surrender the unearned portion. The institution shall calculate the unearned portion of the award based on the percentage used for federal Return to Title IV program purposes.

e) An award made under such Items to assist a student in attending an institution's summer session shall be prorated according to the size of comparable awards made in that institution's regular session.

f) The provisions of this act under the heading "Student Financial Assistance for Higher Education" shall not apply to (1) the soil scientist scholarships authorized under § 23.1-615, Code of Virginia and (2) need-based financial aid programs for industry-based certification and related programs that do not qualify for other sources of student financial assistance, which will be subject to guidelines developed by the State Council of Higher Education for Virginia.

g) Unless noted elsewhere in this act, general fund awards shall be named "Commonwealth" grants.

h) Unless otherwise provided by statute, undergraduate awards shall not be made to students seeking a second or additional baccalaureate degree until the financial aid needs of first-degree seeking students are fully met.

## 2. Grants To Undergraduate Students:

a) Each institution which makes undergraduate grants paid from its appropriation for student financial assistance shall expend such sums as approved for that purpose by the Council.

b) A student receiving an award must be duly admitted and enrolled in a degree, certificate or diploma program at the institution making the award, and shall be making satisfactory academic progress as defined by the institution for the purposes of eligibility under Title IV of the federal Higher Education Act, as amended.

c)1) It is the intent of the General Assembly that students eligible under the Virginia Guaranteed Assistance Program (VGAP) authorized in Title 23.1, Chapter 4.4:2, Code of Virginia, shall receive grants before all other students at the same institution with equivalent remaining need from the appropriations for undergraduate student financial assistance found in Part 1 of this act (service area 1081000 - Scholarships). In each instance, VGAP eligible students shall receive awards greater than other students with equivalent remaining need.

2) The amount of each VGAP grant shall vary according to each student's remaining need and the total of tuition, all required fees and the cost of books at the institution the student will attend upon acceptance for admission. The actual amount of the VGAP award will be determined by the proportionate award schedule adopted by each institution; however, those students with the greatest financial need shall be guaranteed an award at least equal to tuition.

3) It is the intent of the General Assembly that the Virginia Guaranteed Assistance Program serve as an incentive to financially needy students now attending elementary and secondary school in Virginia to raise their expectations and their academic performance and to consider higher education an achievable objective in their futures.

4) Students may not receive a VGAP and a Commonwealth grant in the same semester.

## 3. Grants To Graduate Students:

a) An individual award may be based on financial need but may, in addition to or instead of, be based on other criteria determined by the institution making the award. The amount of an award shall be determined by the institution making the award; however, the Council shall annually be notified as to the maximum size of a graduate award that is paid from funds in the appropriation.

b) A student receiving a graduate award paid from the appropriation must be duly admitted into a graduate degree program at the institution making the award.

c) Not more than 50 percent of the funds designated by an institution as graduate grants from the appropriation, and approved as such by the Council, shall be awarded to persons not eligible to be classified as Virginia domiciliary resident students except in cases where the persons meet the criteria outlined in § 4-2.01b.6.

4. Matching Funds: Any institution of higher education may, with the approval of the Council, use funds from its appropriation for fellowships and scholarships to provide the institutional contribution to any student financial aid program established by the federal government or private sources which requires the matching of the contribution by institutional funds, except for programs requiring work.

## 5. Discontinued Loan Program:

a) If any federal student loan program for which the institutional contribution was appropriated by the General Assembly is discontinued, the institutional share of the discontinued loan program shall be repaid to the fund from which the institutional share was derived unless other arrangements for the use of the funds are recommended by the Council and approved by the Department of Planning and Budget. Should the institution be permitted to retain the federal contributions to the program, the funds shall be used according to arrangements authorized by the Council and approved by the Department of Planning and Budget.

b)1) An institution of higher education may discontinue its student loan fund established pursuant to Title 23.1, Chapter 4.01, Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid into the state treasury into a nonrevertible nongeneral fund account. Prior to such payment, the State Comptroller shall verify its accuracy, including the fact

that the cash held by the institution in the loan fund will be fully depleted by such payment. The loan fund shall not be reestablished thereafter for that institution.

2) The cash so paid into the state treasury shall be used only for grants to undergraduate and graduate students in the Higher Education Student Financial Assistance program according to arrangements authorized by the Council and approved by the Department of Planning and Budget.

3) Payments on principal and interest of any promissory notes held by the discontinued loan fund shall continue to be received by the institution, which shall deposit such payments in the state treasury to the nonrevertible nongeneral fund account specified in subdivision (1) preceding, to be used for grants as specified in subdivision (2) preceding.

6. Reporting: The Council shall collect student-specific information for undergraduate students as is necessary for the operation of the Student Financial Assistance Program. The Council shall maintain regulations governing the operation of the Student Financial Assistance Program based on the provisions outlined in this section, the Code of Virginia, and State Council policy.

#### C. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

Notwithstanding any other provision of law, executive branch agencies shall not pay compensation to citizen members of boards, commissions, authorities, councils, or other bodies from any fund for the performance of such members' duties in the work of the board, commission, authority, council, or other body.

#### d. VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

Notwithstanding any other provision of law, the Virginia Birth-Related Neurological Injury Compensation Program is authorized to require each admitted claimant's parent or legal guardian to purchase private health insurance (the "primary payer") to provide coverage for the actual medically necessary and reasonable expenses as described in Virginia Code § 38.2-5009(A)(1) that were, or are, incurred as a result of the admitted claimant's birth-related neurological injury and for the admitted claimant's benefit. Provided, however, that the Program shall reimburse, upon receipt of proof of payment, solely the portion of the premiums that is attributable to the admitted claimant's post-admission coverage from the effective date of this provision forward and paid for by the admitted claimant's parent or legal guardian.

### § 4-5.02 THIRD PARTY TRANSACTIONS

#### a. EMPLOYMENT OF ATTORNEYS:

1.a) All attorneys authorized by this act to be employed by any state agency and all attorneys compensated out of any moneys appropriated in this session of the General Assembly shall be appointed by the Attorney General and be in all respects subject to the provisions of Title 2.2, Chapter 5, Code of Virginia, to the extent not to conflict with Title 12.1, Chapter 4, Code of Virginia; provided, however, that if the Governor certifies the need for independent legal counsel for any Executive Department agency, such agency shall be free to act independently of the Office of the Attorney General in regard to selection, and provided, further, that compensation of such independent legal counsel shall be paid from the moneys appropriated to such Executive Department agency or from the moneys appropriated to the Office of the Attorney General.

b) For purposes of this act, "attorney" shall be defined as an employee or contractor who represents an agency before a court, board or agency of the Commonwealth of Virginia or political subdivision thereof. This term shall not include members of the bar employed by an agency who perform in a capacity that does not require a license to practice law, including but not limited to, instructing, managing, supervising or performing normal or customary duties of that agency.

2. This section does not apply to attorneys employed by state agencies in the Legislative Department, Judicial Department or Independent Agencies.

3. Reporting on employment of attorneys shall be in accordance with § 4-8.00, Reporting Requirements.

4. Notwithstanding § 2.2-510.1 of the Code of Virginia and any other conflicting provision of law, the Virginia Retirement System may enter into agreements to seek i) recovery of investment losses in foreign jurisdictions, and ii) legal advice related to its investments. Any such agreements shall be reported to the Office of the Attorney General as soon as practicable.

b. STUDIES AND CONSULTATIVE SERVICES REQUIRED BY GENERAL ASSEMBLY: No expenditure for payments on third party nongovernmental contracts for studies or consultative services shall be made out of any appropriation to the General Assembly or to any study group created by the General Assembly, nor shall any such expenditure for third party nongovernmental contracts be made by any Executive Department agency in response to a legislative request for a study, without the prior approval of two of the following persons: the Chairman of the House Appropriations Committee; the Chairman of the Senate Finance and Appropriations Committee; the Speaker of the House of Delegates; the President pro tempore of the Senate. All such expenditures shall be made only in accordance with the terms of a written contract approved as to form by the Attorney General.

c. USE OF CONSULTING SERVICES: All state agencies and institutions of higher education shall make a determination of "return on investment" as part of the criteria for awarding contracts for consulting services.



d. DEBT COLLECTION SERVICES:

1. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Virginia Commonwealth University Health System Authority shall have the option to participate in the Office of the Attorney General's debt collection process. Should the Authority choose not to participate, the Authority shall have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts receivable claims.

2. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the University of Virginia Medical Center shall have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts receivable claims, provided that the University of Virginia demonstrates to the Secretary of Finance that debt collection by an agent other than the Office of the Attorney General is anticipated to be more cost effective. Nothing in this paragraph is intended to limit the ability of the University of Virginia Medical Center from voluntarily contracting with the Office of the Attorney General's Division of Debt Collection in cases where the Center would benefit from the expertise of legal counsel and collection services offered by the Office of the Attorney General.

3. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Department of Taxation shall be exempt from participating in the debt collection process of the Office of the Attorney General.

§ 4-5.03 SERVICES AND CLIENTS

a. CHANGED COST FACTORS:

1.a) No state agency, or its governing body, shall alter factors (e.g., qualification level for receipt of payment or service) which may increase the number of eligible recipients for its authorized services or payments, or alter factors which may increase the unit cost of benefit payments within its authorized services, unless the General Assembly has made an appropriation for the cost of such change.

b) The limits on altering or changing cost factors stated in paragraph 1.a) above shall not apply to changes associated with implementing and/or altering services in response to COVID-19 when funding is provided from a nongeneral fund source dedicated to addressing the impact of COVID-19 or from any source when specifically approved by the Governor in response to the COVID-19 pandemic.

2. Notwithstanding any other provision of law, the Department of Planning and Budget, with assistance from agencies that operate internal service funds as requested, shall establish policies and procedures for annually reviewing and approving internal service fund overhead surcharge rates and working capital reserves.

3. By September 1 each year, state agencies that operate an internal service fund, pursuant to §§ 2.2-803, 2.2-1101, and 2.2-2013, Code of Virginia, that have an impact on agency expenditures, shall submit a report to the Department of Planning and Budget to include all information as required by the Department of Planning and Budget to conduct a thorough review of overhead surcharge rates, revenues, expenditures, full-time positions, and working capital reserves for each internal service fund. The report shall include any proposed modifications in rates to be charged by internal service funds for review and approval by the Department of Planning and Budget. In its review, the Department of Planning and Budget shall determine whether the requested rate modifications are consistent with budget assumptions. The format by which agencies submit the operating plan for each internal service fund shall be determined by the Department of Planning and Budget with assistance from agencies that operate internal service funds as requested.

4. State agencies that operate internal service funds may not change a billable overhead surcharge rate to another state agency unless the resulting change is provided in the final General Assembly enacted budget.

5. State agencies that operate more than one internal service fund shall comply with the review and approval requirements detailed in this Item for each internal service fund.

6. As determined by the Director, Department of Planning and Budget, state agencies that operate select programs where an agency provides a service to and bills other agencies shall be subject to the annual review of the agency's internal service funds consistent with the provisions of this Item, unless such payment for services is pursuant to a memorandum of understanding authorized by § 4-1.03 a. 7 of this act.

7. The Governor is authorized to change internal service fund overhead surcharge rates, including the creation of new rates, beyond the rates enacted in the budget in the event of an emergency or to implement actions approved by the General Assembly, upon prior notice to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. Such prior notice shall be no less than five days prior to enactment of a revised or new rate and shall include the basis of the rate change and the impact on state agencies.

8. Notwithstanding any other provision of law, the Commonwealth's statewide electronic procurement system and program known as eVA shall have all rates and working capital reserves reviewed and approved by the Department of Planning and

Budget consistent with the provisions of this Item.

9. State agencies that are partially or fully funded with nongeneral funds and are billed for services provided by another state agency shall pay the nongeneral fund cost for the service from the agency's applicable nongeneral fund revenue source consistent with an appropriation proration of such expenses.

b. NEW SERVICES:

1.a) No state agency shall begin any new service that will call for future additional property, plant or equipment or that will require an increase in subsequent general or nongeneral fund operating expenses without first obtaining the authorization of the General Assembly.

b) The limits on establishing new services stated in paragraph 1.a) above shall not apply to new services established to respond to COVID-19 when funding is provided from a nongeneral fund source dedicated to addressing the impact of COVID-19 or from any source when specifically approved by the Governor in response to the COVID-19 pandemic.

2. Pursuant to the policies and procedures of the State Council of Higher Education regarding approval of academic programs and the concomitant enrollment, no state institution of higher education shall operate any academic program with funds in this act unless approved by the Council and included in the Executive Budget, or approved by the General Assembly. The Council may grant exemptions to this policy in exceptional circumstances.

3. a) The General Assembly is supportive of the increasing commitment by both Virginia Tech and the Carilion Clinic to the success of the programs at the Virginia Tech/Carilion School of Medicine and the Virginia Tech/Carilion Research Institute, and encourages these two institutions to pursue further developments in their partnership. Therefore, notwithstanding § 4-5.03 c. of the Appropriation Act, if through the efforts of these institutions to further strengthen the partnership, Virginia Tech acquires the Virginia Tech Carilion School of Medicine during the current biennium, the General Assembly approves the creation and establishment of the Virginia Tech/Carilion School of Medicine within the institution notwithstanding § 23.1-203 Code of Virginia. No additional funds are required to implement establishment of the Virginia Tech/Carilion School of Medicine within the institution.

b) Virginia Tech Carilion School of Medicine is hereby authorized to transfer funds to the Department of Medical Assistance Services to fully fund the state share for Medicaid supplemental payments to the teaching hospital affiliated with the Virginia Tech Carilion School of Medicine. These Medicaid supplemental fee-for-service and/or capitation payments to managed care organizations are for the purpose of securing access to Medicaid hospital services in Western Virginia. The funds to be transferred must comply with 42 CFR 433.51.

4. Reporting on all new services shall be in accordance with § 4-8.00, Reporting Requirements.

c. OFF-CAMPUS SITES OF INSTITUTIONS OF HIGHER EDUCATION:

No moneys appropriated by this act shall be used for off-campus sites unless as provided for in this section.

1. A public college or university seeking to create, establish, or operate an off-campus instructional site, funded directly or indirectly from the general fund or with revenue from tuition and mandatory educational and general fees generated from credit course offerings, shall first refer the matter to the State Council of Higher Education for Virginia for its consideration and approval. The State Council of Higher Education for Virginia may provide institutions with conditional approval to operate the site for up to one year, after which time the college or university must receive approval from the Governor and General Assembly, through legislation or appropriation, to continue operating the site.

2. For the colleges of the Virginia Community College System, the State Board for Community Colleges shall be responsible for approving off-campus locations. Sites governed by this requirement are those at any locations not contiguous to the main campus of the institution, including locations outside Virginia.

3. a) The provisions herein shall not apply to credit offerings on the site of a public or private entity if the offerings are supported entirely with private, local, or federal funds or revenue from tuition and mandatory educational and general fees generated entirely by course offerings at the site.

b) Offerings at previously approved off-campus locations shall also not be subject to these provisions.

c) Further, the provisions herein do not govern the establishment and operations of campus sites with a primary function of carrying out grant and contract research where direct and indirect costs from such research are covered through external funding sources. Such locations may offer limited graduate education as appropriate to support the research mission of the site.

d) Nothing herein shall prohibit an institution from offering non-credit continuing education programs at sites away from the main campus of a college or university.

4. The State Council of Higher Education shall establish guidelines to implement this provision.

d. PERFORMANCE MEASUREMENT



1. In accordance with § 2.2-1501, Code of Virginia, the Department of Planning and Budget shall develop a programmatic budget and accounting structure for all new programs and activities to ensure that it provides the appropriate financial and performance measures to determine if programs achieve desired results and outcomes. The Department of Accounts shall provide assistance as requested by the Department of Planning and Budget. The Department of Planning and Budget shall provide this information each year when the Governor submits the budget in accordance with § 2.2-1509, Code of Virginia, to the Chairmen of the House Appropriations, House Finance, and Senate Finance and Appropriations Committees.

2.a) Within thirty days of the enactment of this act, the Director, Department of Planning and Budget, shall make available via electronic means to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the public a list of the new initiatives for which appropriations are provided in this act.

b) Not later than ninety days after the end of the first year of the biennium, the Director, Department of Planning and Budget, shall make available via electronic means a report on the performance of each new initiative contained in the list, to be submitted to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the public. The report shall compare the actual results, including expenditures, of the initiative with the anticipated results and the appropriation for the initiative. This information shall be used to determine whether the initiative should be extended beyond the beginning period. In the preparation of this report, all state agencies shall provide assistance as requested by the Department of Planning and Budget.

#### § 4-5.04 GOODS AND SERVICES

##### a. STUDENT ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION:

1. Public Information Encouraged: Each public institution of higher education is expected and encouraged to provide prospective students with accurate and objective information about its programs and services. The institution may use public funds under the control of the institution's Board of Visitors for the development, preparation and dissemination of factual information about the following subjects: academic programs; special programs for minorities; dates, times and procedures for registration; dates and times of course offerings; admission requirements; financial aid; tuition and fee schedules; and other information normally distributed through the college catalog. This information may be presented in any and all media, such as newspapers, magazines, television or radio where the information may be in the form of news, public service announcements or advertisements. Other forms of acceptable presentation would include brochures, pamphlets, posters, notices, bulletins, official catalogs, flyers available at public places and formal or informal meetings with prospective students.

2. Excessive Promotion Prohibited: Each public institution of higher education is prohibited from using public funds under the control of the institution's Board of Visitors for the development, preparation, dissemination or presentation of any material intended or designed to induce students to attend by exaggerating or extolling the institution's virtues, faculty, students, facilities or programs through the use of hyperbole. Artwork and photographs which exaggerate or extol rather than supplement or complement permissible information are prohibited. Mass mailings are generally prohibited; however, either mass mailings or newspaper inserts, but not both, may be used if other methods of distributing permissible information are not economically feasible in the institution's local service area.

3. Remedial Education: Senior institutions of higher education shall make arrangements with community colleges for the remediation of students accepted for admission by the senior institutions.

4. Compliance: The president or chancellor of each institution of higher education is responsible for the institution's compliance with this subsection.

##### b. INFORMATION TECHNOLOGY FACILITIES AND SERVICES:

1.a) The Virginia Information Technologies Agency shall procure information technology and telecommunications goods and services of every description for its own benefit or on behalf of other state executive branch agencies and institutions, or authorize other state executive branch agencies or institutions to undertake such procurements on their own. "Executive branch agency" means the same as that term is defined in § 2.2-2006.

b) Except for research projects, research initiatives, or instructional programs at public institutions of higher education, or any non-major information technology project request from the Virginia Community College System, Longwood University, or from an institution of higher education which is a member of the Virginia Association of State Colleges and University Purchasing Professionals (VASCUPP) as of July 1, 2003, or any procurement of information technology and telecommunications goods and services by public institutions of higher education governed by some combination of Chapters 933 and 945 of the 2005 Acts of Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, requests for authorization from state agencies and institutions to procure information technology and telecommunications goods and services on their own behalf shall be made in writing to the Chief Information Officer or his designee. Members of VASCUPP as of July 1, 2003, are hereby recognized as: The College of William and Mary, George Mason University, James Madison University, Old Dominion University, Radford University, Virginia Commonwealth

University, Virginia Military Institute, Virginia Polytechnic Institute and State University, and the University of Virginia.

c) The Chief Information Officer or his designee may grant the authorization upon a written determination that the request conforms to the statewide information technology plan and the individual information technology plan of the requesting agency or institution.

d) Any procurement authorized by the Chief Information Officer or his designee for information technology and telecommunications goods and services, including geographic information systems, shall be issued by the requesting state agency or institution in accordance with the regulations, policies, procedures, standards, and guidelines of the Virginia Information Technologies Agency.

e) Nothing in this subsection shall prevent public institutions of higher education or the Virginia Community College System from using the services of Network Virginia.

f) To ensure that the Commonwealth's research universities maintain a competitive position with access to the national optical research network infrastructure including the National LambdaRail and Internet2, the Network Virginia Contract Administrator is hereby authorized to renegotiate the term of the existing contracts. Additionally, the contract administrator is authorized to competitively negotiate additional agreements in accordance with the Code of Virginia and all applicable regulations, as required, to establish and maintain research network infrastructure.

2. If the billing rates and associated systems for computer, telecommunications and systems development services to state agencies are altered, the Director, Department of Planning and Budget, may transfer appropriations from the general fund between programs affected. These transfers are limited to actions needed to adjust for overfunding or underfunding the program appropriations affected by the altered billing systems.

3. The provisions of this subsection shall not in any way affect the duties and responsibilities of the State Comptroller under the provisions of § 2.2-803, Code of Virginia.

4. It is the intent of the General Assembly that information technology (IT) systems, products, data, and service costs, including geographic information systems (GIS), be contained through the shared use of existing or planned equipment, data, or services which may be available or soon made available for use by state agencies, institutions, authorities, and other public bodies. State agencies, institutions, and authorities shall cooperate with the Virginia Information Technologies Agency in identifying the development and operational requirements for proposed IT and GIS systems, products, data, and services, including the proposed use, functionality, capacity and the total cost of acquisition, operation and maintenance.

5. This section shall not apply to public institutions of higher education governed by some combination of Chapters 933 and 945 of the 2005 Acts of Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly or Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly, or to the Virginia Alcoholic Beverage Control Authority.

6. Notwithstanding any other provision of law, state agencies that do not receive computer services from the Virginia Information Technologies Agency may develop their own policies and procedures governing the sale of surplus computers and laptops to their employees or officials. Any proceeds from the sale of surplus computers or laptops shall be deposited into the appropriate fund or funds used to purchase the equipment.

#### c. MOTOR VEHICLES AND AIRCRAFT:

1. No motor vehicles shall be purchased or leased with public funds by the state or any officer or employee on behalf of the state without the prior written approval of the Director, Department of General Services.

2. The institutions of higher education and the Alcoholic Beverage Control Authority shall be exempt from this provision but shall be required to report their entire inventory of purchased and leased vehicles including the cost of such to the Director of the Department of General Services by June 30 of each year. The Director of the Department of General Services shall compare the cost of vehicles acquired by institutions of higher education and the Authority to like vehicles under the state contract. If the comparison demonstrates for a given institution or the Authority that the cost to the Commonwealth is greater for like vehicles than would be the case based on a contract of statewide applicability, the Governor or his designee may suspend the exemption granted to the institution or the Authority pursuant to this subparagraph c.

3. The Director, Department of General Services, is hereby authorized to transfer surplus motor vehicles among the state agencies, and determine the value of such surplus equipment for the purpose of maintaining the financial accounts of the state agencies affected by such transfers.

d. MOTION PICTURE, TELEVISION AND RADIO SERVICES PRODUCTION: Except for public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, no state Executive Department agency or the Virginia Lottery Department shall expend any public funds for the production of motion picture films or of programs for television transmission, or for the operation of television or radio transmission facilities, without the prior written approval of the Governor or as otherwise provided in this act, except for educational television programs produced for elementary-secondary education by authority of the Virginia Information Technologies Agency. The Joint Subcommittee on Rules is authorized to provide the approval of such expenditures for legislative agencies. For judicial agencies and independent agencies, other than the Virginia Lottery

Department, prior approval action rests with the supervisory bodies of these entities. With respect to television programs which are so approved and other programs which are otherwise authorized or are not produced for television transmission, state agencies may enter into contracts without competitive sealed bidding, or competitive negotiation, for program production and transmission services which are performed by public telecommunications entities, as defined in § 2.2-2006, Code of Virginia.

e. TRAVEL: Reimbursement for the cost of travel on official business of the state government is authorized to be paid pursuant to law and regulations issued by the State Comptroller to implement such law. Notwithstanding any contrary provisions of law:

1. For the use of personal automobiles in the discharge of official duties outside the continental limits of the United States, the State Comptroller may authorize an allowance not exceeding the actual cost of operation of such automobiles;

2. The first 15,000 miles of use during each fiscal year of personal automobiles in the discharge of official duties within the continental limits of the United States shall be reimbursed at an amount equal to the most recent business standard mileage rate as established by the Internal Revenue Service for employees or self-employed individuals to use in computing their income tax deductible costs for operating passenger vehicles owned or leased by them for business purposes, or in the instance of a state employee, at the lesser of (a) the IRS rate or (b) the lowest combined capital and operational trip pool rate charged by the Department of General Services, Office of Fleet Management Services (OFMS), posted on the OFMS website at time of travel, for the use of a compact state-owned vehicle. If the head of the state agency concerned certifies that a state-owned vehicle was not available, or if, according to regulations issued by the State Comptroller, the use of a personal automobile in lieu of a state-owned automobile is considered to be an advantage to the state, the reimbursement shall be at the rate of the IRS rate. For such use in excess of 15,000 miles in each fiscal year, the reimbursement shall be at a rate of 13.0 cents per mile, unless a state-owned vehicle is not available; then the rate shall be the IRS rate;

3. The State Comptroller may authorize exemptions to restrictions upon use of common carrier accommodations;

4. The State Comptroller may authorize reimbursement by per diem in lieu of actual costs of meals and any other expense category deemed necessary for the efficient and effective operation of state government;

5. State employees traveling on official business of state government shall be reimbursed for their travel costs using the same bank account authorized by the employee in which their net pay is direct deposited; and

6. This section shall not apply to members and employees of public school boards.

f. SMALL PURCHASE CHARGE CARD, ELECTRONIC DATA INTERCHANGE, DIRECT DEPOSIT, AND PAYLINE OPT OUT: The State Comptroller is hereby authorized to charge state agencies a fee of \$5 per check or earnings notice when, in his judgment, agencies have failed to comply with the Commonwealth's electronic commerce initiatives to reduce unnecessary administrative costs for the printing and mailing of state checks and earning notices. The fee shall be collected by the Department of Accounts through accounting entries.

g. PURCHASES OF APPLIANCES AND EQUIPMENT: State agencies and institutions shall purchase Energy Star rated appliances and equipment in all cases where such appliances and equipment are available.

h. ELECTRONIC PAYMENTS: Any recipient of payments from the State Treasury who receives six or more payments per year issued by the State Treasurer shall receive such payments electronically. The State Treasurer shall decide the appropriate method of electronic payment and, through his warrant issuance authority, the State Comptroller shall enforce the provisions of this section. The State Comptroller is authorized to grant administrative relief to this requirement when circumstances justify non-electronic payment.

i. LOCAL AND NON-STATE SAVINGS AND EFFICIENCIES: It is the intent of the General Assembly that State agencies shall encourage and assist local governments, school divisions, and other non-state governmental entities in their efforts to achieve cost savings and efficiencies in the provision of mandated functions and services including but not limited to finance, procurement, social services programs, and facilities management.

j. TELECOMMUNICATION SERVICES AND DEVICES:

1. The Chief Information Officer and the State Comptroller shall develop statewide requirements for the use of cellular telephones and other telecommunication devices by in-scope Executive Department agencies, addressing the assignment, evaluation of need, safeguarding, monitoring, and usage of these telecommunication devices. The requirements shall include an acceptable use agreement template clearly defining an employee's responsibility when they receive and use a telecommunication device. Statewide requirements shall require some form of identification on a device in case it is lost or stolen and procedures to wipe the device clean of all sensitive information when it is no longer in use.

2. In-scope Executive Department agencies providing employees with telecommunication devices shall develop agency-specific policies, incorporating the guidance provided in § 4-5.04 k. 1. of this act and shall maintain a cost justification for the assignment or a public health, welfare and safety need.

3. The Chief Information Officer shall determine the optimal number of telecommunication vendors and plans necessary to

meet the needs of in-scope Executive Department agency personnel. The Chief Information Officer shall regularly procure these services and provide statewide contracts for use by all such agencies. These contracts shall require the vendors to provide detailed usage information in a useable electronic format to enable the in-scope agencies to properly monitor usage to make informed purchasing decisions and minimize costs.

4. The Chief Information Officer shall examine the feasibility of providing tools for in-scope Executive Department agencies to analyze usage and cost data to assist in determining the most cost effective plan combinations for the entity as a whole and individual users.

k. ALTERNATIVE PROCUREMENT: If any payment is declared unconstitutional for any reason or if the Attorney General finds in a formal, written, legal opinion that a payment is unconstitutional, in circumstances where a good or service can constitutionally be the subject of a purchase, the administering agency of such payment is authorized to use the affected appropriation to procure, by means of the Commonwealth's Procurement Act, goods and services, which are similar to those sought by such payment in order to accomplish the original legislative intent.

l. MEDICAL SERVICES: No expenditures from general or nongeneral fund sources may be made out of any appropriation by the General Assembly for providing abortion services, except otherwise as required by federal law or state statute.

m. In an effort to expand cooperative procurement efforts, all public institutions of higher education in the Commonwealth of Virginia may access the Virginia Association of State Colleges and University Purchasing Professionals (VASCUPP) contracts regardless of their level of purchasing delegated authority, non-VASCUPP institutions shall amend terms and conditions of VASCUPP contracts to incorporate Virginia Public Procurement Act, and Commonwealth of Virginia Agency Procurement and Surplus Property Manual.

#### § 4-5.05 NONSTATE AGENCIES, INTERSTATE COMPACTS AND ORGANIZATIONAL MEMBERSHIPS

a. The accounts of any agency, however titled, which receives funds from this or any other appropriating act, and is not owned or controlled by the Commonwealth of Virginia, shall be subject to audit or shall present an audit acceptable to the Auditor of Public Accounts when so directed by the Governor or the Joint Legislative Audit and Review Commission.

b.1. For purposes of this subsection, the definition of "nonstate agency" is that contained in § 2.2-1505, Code of Virginia.

2. Allotment of appropriations to nonstate agencies shall be subject to the following criteria:

a) Such agency is located in and operates in Virginia.

b) The agency must be open to the public or otherwise engaged in activity of public interest, with expenditures having actually been incurred for its operation.

3. No allotment of appropriations shall be made to a nonstate agency until such agency has certified to the Secretary of Finance that cash or in-kind contributions are on hand and available to match equally all or any part of an appropriation which may be provided by the General Assembly, unless the organization is specifically exempted from this requirement by language in this act. Such matching funds shall not have been previously used to meet the match requirement in any prior appropriation act.

4. Operating appropriations for nonstate agencies equal to or in excess of \$150,000 shall be disbursed to nonstate agencies in twelve or fewer equal monthly installments depending on when the first payment is made within the fiscal year. Operating appropriations for nonstate agencies of less than \$150,000 shall be disbursed in one payment once the nonstate agency has successfully met applicable match and application requirements.

5. The provisions of § 2.2-4343 A 14, Code of Virginia shall apply to any expenditure of state appropriations by a nonstate agency.

c.1. Each interstate compact commission and each organization in which the Commonwealth of Virginia or a state agency thereof holds membership, and the dues for which are provided in this act or any other appropriating act, shall submit its biennial budget request to the state agency under which such commission or organization is listed in this act. The state agency shall include the request of such commission or organization within its own request, but identified separately. Requests by the commission or organization for disbursements from appropriations shall be submitted to the designated state agency.

2. Each state agency shall submit by November 1 each year, a report to the Director, Department of Planning and Budget, listing the name and purpose for organizational memberships held by that agency with annual dues of \$5,000 or more. The institutions of higher education shall be exempt from this reporting requirement.

#### § 4-5.06 DELEGATION OF AUTHORITY

a. The designation in this act of an officer or agency head to perform a specified duty shall not be deemed to supersede the authority of the Governor to delegate powers under the provisions of § 2.2-104, Code of Virginia.

b. The nongeneral fund capital outlay decentralization programs initiated pursuant to § 4-5.08b of Chapter 912, 1996 Acts of Assembly as continued in subsequent appropriation acts are hereby made permanent. Decentralization programs for which

institutions have executed memoranda of understanding with the Secretary of Administration pursuant to the provisions of § 4-5.08b of Chapter 912, 1996 Acts of Assembly shall no longer be considered pilot projects, and shall remain in effect until revoked.

c. Institutions wishing to participate in a nongeneral fund capital outlay decentralization program for the first time shall submit a letter of interest to the appropriate Cabinet Secretary. Within 90 calendar days of the receipt of the institution's request to participate, the responsible Cabinet Secretary shall determine whether the institution meets the eligibility criteria and, if appropriate, establish a decentralization program at the institution. The Cabinet Secretary shall report to the Governor and Chairmen of the Senate Finance and Appropriations and House Appropriations Committees by December 1 of each year all institutions that have applied for inclusion in a decentralization program and whether the institutions have been granted authority to participate in the decentralization program.

d. The provisions identified in § 4-5.08 f and § 4-5.08 h of Chapter 1042 of the Acts of Assembly of 2003 pertaining to pilot programs for selected capital outlay projects and memoranda of understanding in institutions of higher education are hereby continued. Notwithstanding these provisions, those projects shall be insured through the state's risk management liability program.

e. If during an independent audit conducted by the Auditor of Public Accounts, the audit discloses that an institution is not performing within the terms of the memoranda of understanding or their addenda, the Auditor shall report this information to the Governor, the responsible Cabinet Secretary, and the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees.

f. Institutions that have executed memoranda of understanding with the Secretary of Administration for nongeneral fund capital outlay decentralization programs are hereby granted a waiver from the provisions of § 2.2-4301, Competitive Negotiation, subdivision 3a, Code of Virginia, regarding the not to exceed amount of \$100,000 for a single project, the not to exceed sum of \$500,000 for all projects performed, and the option to renew for two additional one-year terms.

g. Notwithstanding any contrary provision of law or this act, delegations of authority in this act to the Governor shall apply only to agencies and personnel within the Executive Department, unless specifically stated otherwise.

h. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly.

#### § 4-5.07 LEASE, LICENSE OR USE AGREEMENTS

a. Agencies shall not acquire or occupy real property through lease, license or use agreement until the agency certifies to the Director, Department of General Services, that (i) funds are available within the agency's appropriations made by this act for the cost of the lease, license or use agreement and (ii) except for good cause as determined by the Department of General Services, the volume of such space conforms with the space planning procedures for leased facilities developed by the Department of General Services and approved by the Governor. The Department of General Services shall acquire and hold such space for use by state departments, agencies and institutions within the Executive Branch and may utilize brokerage services, portfolio management strategies, strategic planning, transaction management, project and construction management, and lease administration strategies consistent with industry best practices as adopted by the Department from time to time. These provisions may be waived in writing by the Director, Department of General Services. However, these provisions shall not apply to institutions of higher education that have met the conditions prescribed in subsection B of § 23.1-1006, Code of Virginia.

b. Agencies acquiring personal property in accordance with § 2.2-2417, Code of Virginia, shall certify to the State Treasurer that funds are available within the agency's appropriations made by this act for the cost of the lease.

c. The Governor is authorized to enter into a Memorandum of Understanding with the United States Department of Agriculture, United States Forest Service ("USFS"), in a form approved by the Office of the Attorney General, regarding a template for use by any agency of the Commonwealth of Virginia (the "Commonwealth") of USFS land by lease, license, or permit. The template may allocate liability, including indemnification, for the use of USFS land between the USFS and the Commonwealth, which liability shall be secured by, and at the discretion of, the Division of Risk Management, Department of the Treasury, pursuant to the provisions of Virginia Code §2.2-1837(A)(2), through either 1) the Virginia Risk Management Liability Plan ("the Plan"), or 2) a separate insurance policy procured by the Division of Risk Management, the cost of which shall be charged to the agencies using USFS lands.

#### § 4-5.08 SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAMS

a. The Comptroller shall not draw any warrants to issue checks for semiconductor manufacturing performance grant programs, pursuant to Title 59.1, Chapter 22.3, Code of Virginia, without a specific legislative appropriation. The appropriation shall be in accordance with the terms and conditions set forth in a memorandum of understanding between a qualified manufacturer and the Commonwealth. These terms and conditions shall supplement the provisions of the Semiconductor Manufacturing Performance Grant Program, the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program, and the



Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II, as applicable, and shall include but not be limited to the numbers and types of semiconductor wafers that are produced; the level of investment directly related to the building and equipment for manufacturing of wafers or activities ancillary to or supportive of such manufacturer within the eligible locality; and the direct employment related to these programs. To that end, the Secretary of Commerce and Trade shall certify in writing to the Governor and to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees the extent to which a qualified manufacturer met the terms and conditions. The appropriation shall be made in full or in proportion to a qualified manufacturer's fulfillment of the memorandum of understanding.

b. The Governor shall consult with the House Appropriations and Senate Finance and Appropriations Committees before amending any existing memorandum of understanding. These Committees shall have the opportunity to review any changes prior to their execution by the Commonwealth.

#### § 4-5.09 DISPOSITION OF SURPLUS REAL PROPERTY

a. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the departments, divisions, institutions, or agencies of the Commonwealth, or the Governor, shall sell or lease surplus real property only under the following circumstances:

1. Any emergency declared in accordance with §§ 44-146.18:2 or § 44-146.28, Code of Virginia, or

2. Not less than thirty days after the Governor notifies, in writing, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees regarding the planned conveyance, including a statement of the proceeds to be derived from such conveyance and the individual or entity taking title to such property.

3. Surplus property valued at less than \$5,000,000 that is possessed and controlled by a public institution of higher education, pursuant to §§ 2.2-1149 and 2.2-1153, Code of Virginia.

b. In any circumstance provided for in subsection a of this section, the cognizant board or governing body of the agency or institution holding title or otherwise controlling the state-owned property shall approve, in writing, the proposed conveyance of the property.

c. In accordance with § 15.2-2005, Code of Virginia, the consent of the General Assembly is herein provided for the road known as Standpipe Road, that was relocated and established on a portion of the Virginia Department of Transportation's Culpeper District Office property, identified as Tax Map No. 50-28, to improve the operational efficiency of the local road network in the Town of Culpeper. Further, the Virginia Department of Transportation is hereby authorized to convey to the Town of Culpeper, upon such terms and conditions as the Department deems proper and for such considerations the Department may determine, the property on which "Standpipe Road (Relocated)(Variable Width R/W)" on the plat entitled "plat Showing Property and Various Easements for Standpipe Road Relocated, Tax Map 50-28, Town of Culpeper, Culpeper County, Virginia" prepared by ATCS P.L.C and sealed March 14, 2012, together with easements to the Town of Culpeper for electric utility, slopes and drainage as shown on said plat. The conveyance shall be made with the approval of the Governor and in a form approved by the Attorney General. The appropriate officials of the Commonwealth are hereby authorized to prepare, execute, and deliver such deed and other documents as may be necessary to accomplish the conveyance.

d. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, if tax-exempt bonds were issued by the Commonwealth or its related authorities, boards or institutions to finance the acquisition, construction, improvement or equipping of real property, proceeds from the sale or disposition of such property and any improvements may first be applied toward remediation options available under federal law to maintain the tax-exempt status of such bonds.

#### § 4-5.10 SURPLUS PROPERTY TRANSFERS FOR ECONOMIC DEVELOPMENT

a. The Commonwealth shall receive the fair market value of surplus state property which is designated by the Governor for economic development purposes, and for any properties owned by an Industrial Development Authority in any county where the Commonwealth has a continuing interest based on the deferred portion of the purchase price, which shall be assessed by more than one independent appraiser certified as a Licensed General Appraiser. Such property shall not be disposed of for less than its fair market value as determined by the assessments.

b. Recognizing the commercial, business and industrial development potential of certain lands declared surplus, and for any properties owned by an Industrial Development Authority in any county where the Commonwealth has a continuing interest based on the deferred portion of the purchase price, the Governor shall be authorized to utilize funds available in the Governor's discretion, to meet the requirements of the preceding subsection a. Sale proceeds, together with the money from the Commonwealth's Development Opportunity Fund, shall be deposited as provided in § 2.2-1156 I, Code of Virginia.

c. Within thirty days of closing on the sale of surplus property designated for economic development, the Governor or his designee shall report to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees. The report shall include information on the number of acres sold, sales price, amount of proceeds deposited to the general fund and Conservation Resources Fund, and the fair market value of the sold property.

d. Except for subaqueous lands that have been filled prior to January 1, 2006, the Governor shall not sell or convey those subaqueous

lands identified by metes and bounds in Chapter 884 of the Acts of the Assembly of 2006.

e. Notwithstanding any provision of law to the contrary, the Commonwealth of Virginia shall begin the process to convey, as is and pursuant to § 2.2-1150, approximately 432 acres of land located within County of York, Virginia, known as Tax Parcel 12-00-00-003 (the Property) to the Eastern Virginia Regional Industrial Facility Authority, or any of its members, subsidiaries or affiliates (hereinafter referred to Authority) for an amount not to exceed \$1,350,000. The Commonwealth of Virginia shall provide to the Authority copies of the two most recent state appraisals for 150-200 acres for the parcel, and in no case shall the transaction price per acre exceed the average of the two most recent state appraisals. The Authority shall have the right to waive the appraisal requirement. The Authority shall reimburse the Commonwealth of Virginia, at property closing, for the appraisals and other Commonwealth of Virginia costs to prepare and execute the conveyance documents. The conveyance of the Property should occur no later than December 31, 2021, but may occur earlier if requested by the Authority. The Authority and its designees shall have the right to enter the Property and to perform due diligence and design studies and activities prior to the conveyance. The Authority shall have the right to file applications and related documents seeking land, zoning and use entitlements, and the Commonwealth is authorized to execute such documents as may be required for such purposes, but without incurring obligations on the Commonwealth by such execution.

1. The Authority is authorized to convey the property rights for portions of the Property conveyed by the Commonwealth in paragraph e., to one or more operators of one or more utility scale solar facilities, or to lease the property rights to such an operator or operators, for an amount as agreed by the Authority and such operator(s).

2. Any remaining Property at the site shall be subject to a deed restriction created in the Commonwealth of Virginia and Authority property sale described herein to restrict the use of such property by the Authority to any non-residential use, as determined by the Authority.

f. There is hereby created in the state treasury a special subfund of the Virginia Business Ready Sites Program Fund, known as the Site Replacement Fund. The Site Replacement Fund shall be established on the books of the Comptroller. Any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Site Replacement Fund. Interest earned on moneys in the Site Replacement Fund shall remain in the Site Replacement Fund and be credited to it. In addition, notwithstanding the provisions of the preceding subsection b, with respect to sales of property in Henrico County where the Commonwealth has a continuing interest pursuant to that certain Real Estate Purchase Agreement dated May 20, 1996, and any amendments thereto, sales proceeds received by the Commonwealth in excess of the fair market value, as defined in such Real Estate Purchase Agreement, as amended, shall be deposited to the Site Replacement Fund. Moneys in the Site Replacement Fund shall be used in accordance with Section §2.2-2240.2:1, Code of Virginia and the guidelines established by the Virginia Economic Development Partnership Authority for the Virginia Business Ready Sites Program Fund, except that moneys, and any interest thereon, deposited into the Site Replacement Fund pursuant to sales of the aforementioned property in Henrico County shall be maintained for and made available only to the Economic Development Authority of Henrico County, Virginia. Any grant made from the Site Replacement Fund to such Economic Development Authority shall only be from moneys, and any interest thereon, deposited into the Site Replacement Fund pursuant to sales of the aforementioned property in Henrico County. Moneys remaining in the Site Replacement Fund at the end of each fiscal year, including interest, shall not revert to the general fund, but shall revert to the general fund at the end of the fiscal year after the fifth anniversary of the deposit of such moneys in the Site Replacement Fund.

#### § 4-5.11 SEAT OF GOVERNMENT TRAFFIC AND PEDESTRIAN SAFETY

a. In order to implement and maintain traffic and pedestrian operational safety and security enhancements and secure the seat of government, the Commonwealth Transportation Board shall, not later than January 1, 2020, add to the state primary highway system, pursuant to § 33.2-314, Code of Virginia, those portions of the rights-of-way located in the City of Richmond identified as Bank Street from 9th Street to 14th Street, 10th Street from Main Street to Bank Street, 12th Street from Main Street to Bank Street, and Governor Street from Main Street to Bank Street and, pursuant to the responsibilities of the Department of General Services (DGS) (§ 2.2-1129) and the Division of Capitol Police (DCP) (§ 30-34.2:1), DGS and DCP shall control those rights-of-way and pedestrian and vehicular traffic thereon. The rights-of-way so transferred shall be in addition to the 50 miles per year authorized to be transferred under § 33.2-314(A). The City of Richmond shall transfer fee ownership of the rights-of-way identified in this section to DGS by deed or other instrument, as determined by DGS.

b. All property controlled by the Department of General Services shall require a permit for use by persons, organizations, or groups for events. Such events are eligible for a permit when the use will not interfere with or disrupt a function sponsored by the Commonwealth of Virginia government entity in support of an agency's mission. The Department shall prepare and publish on its website the requirements for the submission, processing, review, and disposition of permit applications for events on property controlled by the Department to ensure the health, safety, and welfare of the public; coordinate multiple uses of the property; preserve the rights of individuals to free expression; and to protect the Commonwealth from financial and property losses.

For the purposes of this subsection, an "event" means the assemblage on property controlled by the Department of ten (10) or more persons for any demonstration, rally, march, performance, picketing, speechmaking, holding of vigils, sit-ins, or other

activities that involve the communication or expression of views or ideas having the effect, intent, or propensity to draw a crowd or onlookers. An “event” does not include casual use of the property by visitors or tourists.

All existing regulations for the use of property controlled by the Department shall remain in effect unless amended or rescinded. The Virginia Division of Capitol Police and other law enforcement entities having jurisdiction shall enforce the Department's property use requirements.

#### **§ 4-6.00 POSITIONS AND EMPLOYMENT**

##### **§ 4-6.01 EMPLOYEE COMPENSATION**

a. The compensation of all kinds and from all sources of each appointee of the Governor and of each officer and employee in the Executive Department who enters the service of the Commonwealth or who is promoted to a vacant position shall be fixed at such rate as shall be approved by the Governor in writing or as is in accordance with rules and regulations established by the Governor. No increase shall be made in such compensation except with the Governor's written approval first obtained or in accordance with the rules and regulations established by the Governor. In all cases where any appointee, officer or employee is employed or promoted to fill a vacancy in a position for which a salary is specified by this act, the Governor may fix the salary of such officer or employee at a lower rate or amount within the respective level than is specified. In those instances where a position is created by an act of the General Assembly but not specified by this act, the Governor may fix the salary of such position in accordance with the provisions of this subsection.

b. Annual salaries of persons appointed to positions by the General Assembly, pursuant to the provisions of §§ 2.2-200 and 2.2-400, Code of Virginia, shall be paid in the amounts shown. However, if an incumbent is reappointed, his or her salary may be as high as his or her prior salary.

	<b>July 10, 2022</b>	<b>June 10, 2023</b>	<b>December 10, 2023</b>
	<b>to</b>	<b>to</b>	<b>to</b>
	<b>June 9, 2023</b>	<b>December 9, 2023</b>	<b>June 30, 2024</b>
Chief of Staff	\$202,705	\$212,840	\$217,097
Secretary of Administration	\$194,845	\$204,587	\$208,679
Secretary of Agriculture and Forestry	\$199,228	\$209,190	\$213,374
Secretary of Commerce and Trade	\$194,845	\$204,587	\$208,679
Secretary of the Commonwealth	\$199,229	\$209,190	\$213,374
Secretary of Education	\$194,845	\$204,587	\$208,679
Secretary of Finance	\$203,839	\$214,031	\$218,312
Secretary of Health and Human Resources	\$194,845	\$204,587	\$208,679
Secretary of Labor	\$194,845	\$204,587	\$208,679
Secretary of Natural and Historic Resources	\$194,845	\$204,587	\$208,679
Secretary of Public Safety and Homeland Security	\$201,433	\$211,505	\$215,735



1	Secretary of Transportation	\$194,845	\$204,587	\$208,679
2	Secretary of Veterans and	\$199,228	\$209,189	\$213,373
3	Defense Affairs			

4 c.1.a) Annual salaries of persons appointed to positions listed in subdivision c 6 hereof shall be paid in the amounts shown for  
5 the current biennium, unless changed in accordance with conditions stated in subdivisions c 2 through c 5 hereof.

6 b) The starting salary of a new appointee shall not exceed the midpoint of the range, except where the midpoint salary is less  
7 than a ten percent increase from an appointee's preappointment compensation. In such cases, an appointee's starting salary may  
8 be set at a rate which is ten percent higher than the preappointment compensation, provided that the maximum of the range is  
9 not exceeded. However, in instances where an appointee's preappointment compensation exceeded the maximum of the  
10 respective salary range, then the salary for that appointee may be set at the maximum salary for the respective salary range  
11 except if the new hire was employed in a state classified position, then the Governor may exceed the maximum salary for the  
12 position and set the salary for the employee at a salary level not to exceed the employee's salary at their prior state position.

13 c) Nothing in subdivision c 1 shall be interpreted to supersede the provisions of § 4-6.01 e, f, g, h, i, j, k, l, and m of this act.

14 d) For new appointees to positions listed in § 4-6.01c.6., the Governor is authorized to provide for fringe benefits in addition to  
15 those otherwise provided by law, including post retirement health care and other non-salaried benefits provided to similar  
16 positions in the public sector.

17 2.a)1) The Governor may increase or decrease the annual salary for incumbents of positions listed in subdivision c 6 below at a  
18 rate of up to 10 percent in any single fiscal year between the minimum and the maximum of the respective salary range in  
19 accordance with an assessment of performance and service to the Commonwealth.

20 2) The governing boards of the independent agencies may increase or decrease the annual salary for incumbents of positions  
21 listed in subdivision c.7. below at a rate of up to 10 percent in any fiscal year between the minimum and maximum of the  
22 respective salary range, in accordance with an assessment of performance and service to the Commonwealth.

23 b)1) The appointing or governing authority may grant performance bonuses of 0-5 percent for positions whose salaries are  
24 listed in §§ 1-1 through 1-9, and 4-6.01 b, c, and d of this act, based on an annual assessment of performance, in accordance  
25 with policies and procedures established by such appointing or governing authority. Such performance bonuses shall be over  
26 and above the salaries listed in this act, and shall not become part of the base rate of pay.

27 2) The appointing or governing authority shall report performance bonuses which are granted to executive branch employees to  
28 the Department of Human Resource Management for retention in its records.

29 3. From the effective date of the Executive Pay Plan set forth in Chapter 601, Acts of Assembly of 1981, all incumbents  
30 holding positions listed in this § 4-6.01 shall be eligible for all fringe benefits provided to full-time classified state employees  
31 and, notwithstanding any provision to the contrary, the annual salary paid pursuant to this § 4-6.01 shall be included as  
32 creditable compensation for the calculation of such benefits.

33 4. Notwithstanding § 4-6.01c.2.b)1) of this Act, the Board of Commissioners of the Virginia Port Authority may supplement  
34 the salary of its Executive Director, with the prior approval of the Governor. The Board should be guided by criteria which  
35 provide a reasonable limit on the total additional income of the Executive Director. The criteria should include, without  
36 limitation, a consideration of the salaries paid to similar officials at comparable ports of other states. The Board shall report  
37 approved supplements to the Department of Human Resource Management for retention in its records.

38 5.a. With the written approval of the Governor, the Board of Trustees of the Virginia Museum of Fine Arts, the Science  
39 Museum of Virginia, the Virginia Museum of Natural History, Gunston Hall, and the Library Board may supplement the salary  
40 of the Director of each museum, and the Librarian of Virginia from nonstate funds. In approving a supplement, the Governor  
41 should be guided by criteria which provide a reasonable limit on the total additional income and the criteria should include,  
42 without limitation, a consideration of the salaries paid to similar officials at comparable museums and libraries of other states.  
43 The respective Boards shall report approved supplements to the Department of Human Resource Management for retention in  
44 its records.

45 b) The Board of Trustees of the Jamestown-Yorktown Foundation may supplement, using nonstate funds, the salary of the  
46 Executive Director of the Foundation. In approving the supplement the Board should be guided by criteria which provides a  
47 reasonable limit on the total additional income and the criteria should include, without limitation, a consideration of the salaries  
48 paid to similar officials at comparable Foundations in other states. The Board shall report approved supplements to the  
49 Department of Human Resource Management for retention in its records.

6.a) The following salaries shall be paid for the current biennium in the amounts shown, however, all salary changes shall be subject to subdivisions c 2 through c 5 above.

		<b>July 10, 2022 to June 9, 2023</b>	<b>June 10, 2023 to December 9, 2023</b>	<b>December 10, 2023 to June 30, 2024</b>
<b>Level I Range</b>		<b>\$190,717 - \$266,213</b>	<b>\$195,846 - \$279,524</b>	<b><del>\$199,763</del> \$204,258 - \$285,114</b>
<b>Midpoint</b>		<b>\$228,465</b>	<b>\$237,685</b>	<b><del>\$242,439</del> \$244,686</b>
Chief Information Officer, Virginia Information Technologies Agency		\$234,150	\$245,858	\$250,775
Commissioner, Department of Motor Vehicles		\$191,086	\$200,640	<del>\$204,653</del> \$209,100
Commissioner, Department of Social Services		\$266,213	\$279,524	\$285,114
Commissioner, Department of Behavioral Health and Developmental Services		\$266,213	\$279,524	\$285,114
Commonwealth Transportation Commissioner		\$240,906	\$252,951	\$258,010
Director, Department of Corrections		\$213,188	\$223,847	<del>\$228,324</del> \$210,120
Director, Department of Environmental Quality		\$226,366	\$237,684	\$242,438
Director, Department of Medical Assistance Services		\$229,210	\$240,671	\$245,484
Director, Department of Planning and Budget		\$186,520	\$195,846	<del>\$199,763</del> \$214,200
State Health Commissioner		\$226,366	\$237,684	<del>\$242,438</del> \$255,000
State Tax Commissioner		\$190,717	\$200,253	\$204,258
Superintendent of Public Instruction		\$266,213	\$279,524	<del>\$285,114</del> \$255,000
Superintendent of State Police		\$213,946	\$224,643	\$229,136
		<b>July 10, 2022 to June 9, 2023</b>	<b>July 10, 2022 to December 9, 2023</b>	<b><del>June</del> December 10, 2023 to June 30, 2024</b>
<b>Level II Range</b>		<b>\$129,515 - \$288,750</b>	<b>\$135,991 - \$303,188</b>	<b><del>\$138,711</del> \$141,833 - \$309,252</b>
<b>Midpoint</b>		<b>\$209,133</b>	<b>\$219,590</b>	<b><del>\$223,982</del> \$225,543</b>

1	Commissioner, Department for	\$180,575	\$189,604	\$193,396
2	Aging and Rehabilitative			
3	Services			
4	Commissioner, Department of	\$169,006	\$177,456	\$181,005
5	Agriculture and Consumer			
6	Services			
7	Commissioner, Department of	\$169,006	\$177,456	\$181,005
8	Veterans Services			
9	Commissioner, Virginia	\$189,000	\$198,450	<del>\$202,419</del>
10	Employment Commission			\$193,800
11	Executive Director,	\$159,217	\$167,178	\$170,522
12	Department of Wildlife			
13	Resources			
14	Commissioner, Marine	\$160,860	\$135,991	<del>\$138,711</del>
15	Resources Commission			\$163,200
16	Director, Department of	\$194,093	\$203,798	\$207,874
17	Forensic Science			
18	Director, Department of	\$193,685	\$203,369	\$207,436
19	General Services			
20	Director, Department of	\$183,868	\$175,350	<del>\$178,857</del>
21	Human Resource Management			\$187,680
22	Director, Department of	\$169,006	\$177,456	<del>\$181,005</del>
23	Juvenile Justice			\$193,800
24	Director, Department of	\$170,011	\$178,512	<del>\$182,082</del>
25	Energy			\$176,715
26	Director, Department of Rail	\$176,453	\$209,475	\$213,665
27	and Public Transportation			
28	Director, Department of Small	\$176,085	\$183,750	\$187,425
29	Business and Supplier			
30	Diversity			
31	Executive Director, Motor	\$132,430	\$139,052	\$141,833
32	Vehicle Dealer Board			
33	Executive Director, Virginia	\$163,671	\$171,855	\$175,292
34	Port Authority			
35	State Comptroller	\$199,896	\$209,891	\$214,089
36	State Treasurer	\$199,728	\$183,750	\$187,425
37	Executive Director, Board of	\$164,259	\$172,472	\$175,921
38	Accountancy			
39	Chief Executive Officer,	\$208,496	\$303,188	\$309,252
40	Virginia Alcoholic Beverage			
41	Control Authority			
42		July 10, 2022	June 10, 2024	December 10, 2023

		to June 9, 2023	to December 9, 2023	to June 30, 2024
1				
2	<b>Level III Range</b>	<b>\$124,965 - \$181,903</b>	<b>\$133,837 - \$190,998</b>	<b><del>\$136,514</del> - <del>\$194,818</del></b>
3				<b><del>\$140,529</del> - <del>\$198,900</del></b>
4	<b>Midpoint</b>	<b>\$153,434</b>	<b>\$162,418</b>	<b><del>\$165,666</del></b>
5				<b><del>\$169,715</del></b>
6	Adjutant General	\$181,903	\$190,998	<del>\$194,818</del>
7				<del>\$198,900</del>
8	Chairman, Virginia Parole	\$177,899	\$186,794	<del>\$190,530</del>
9	Board			<del>\$194,818</del>
10	Vice Chairman, Virginia Parole	\$127,464	\$137,774	<del>\$140,529</del>
11	Board			<del>\$142,800</del>
12	Member, Virginia Parole Board	\$131,213	\$133,837	<del>\$136,514</del>
13				<del>\$140,529</del>
14	Commissioner, Department of	\$162,750	\$170,888	\$174,306
15	Labor and Industry			
16	Coordinator, Department of	\$154,556	\$162,284	\$165,530
17	Emergency Management			
18	Director, Department of	\$169,923	\$178,419	\$181,987
19	Aviation			
20	Director, Department of	\$177,899	\$186,794	\$190,530
21	Conservation and Recreation			
22	Director, Department of	\$159,380	\$159,380	\$162,568
23	Criminal Justice Services			
24	Director, Department of Health	\$156,557	\$164,385	\$167,673
25	Professions			
26	Director, Department of	\$146,550	\$153,878	\$156,956
27	Historic Resources			
28	Director, Department of	\$154,556	\$162,284	\$165,530
29	Housing and Community			
30	Development			
31	Director, Department of	\$154,556	\$162,284	\$165,530
32	Professional and Occupational			
33	Regulation			
34	Director, The Science Museum	\$160,771	\$168,810	\$172,186
35	of Virginia			
36	Director, Virginia Museum of	\$167,162	\$175,520	\$179,030
37	Fine Arts			
38	Director, Virginia Museum of	\$137,237	\$144,099	\$146,981
39	Natural History			
40	Executive Director, Jamestown-	\$153,580	\$161,259	\$164,484
41	Yorktown Foundation			

1	Executive Secretary, Virginia	\$144,360	\$151,578	\$154,610
2	Racing Commission			
3	Librarian of Virginia	\$177,899	\$186,794	\$190,530
4	State Forester, Department of	\$163,441	\$171,613	\$175,045
5	Forestry			
6		<b>July 10, 2022</b>	<b>June 10, 2023</b>	<b>December 10, 2023</b>
7		<b>to</b>	<b>to</b>	<b>to</b>
		<b>June 9, 2023</b>	<b>December 9, 2023</b>	<b>June 30, 2024</b>
8	<b>Level IV Range</b>	<b>\$104,871 - \$136,500</b>	<b>\$110,115 - \$143,325</b>	<b>\$112,317 - \$146,192</b>
9	<b>Midpoint</b>	<b>\$121,004</b>	<b>\$126,720</b>	<b>\$129,254</b>
10	Administrator,	\$124,821	\$131,062	\$133,683
11	Commonwealth's Attorneys'			
12	Services Council			
13	Commissioner, Virginia	\$136,500	\$143,325	\$146,192
14	Department for the Blind and			
15	Vision Impaired			
16	Executive Director, Frontier	\$122,515	\$128,641	<del>\$131,214</del>
17	Culture Museum of Virginia			\$124,965
18	Commissioner, Department of	\$121,003	\$139,650	\$142,443
19	Elections			
20	Executive Director, Virginia-	\$111,017	\$116,568	\$118,899
21	Israel Advisory Board			
22	Director, Gunston Hall	\$104,871	\$110,115	\$112,317
23	Executive Director,	\$108,000	\$113,400	<del>\$115,668</del>
24	Department of Fire Programs			\$122,289
25		<b>July 10, 2022</b>	<b>June 10, 2023</b>	<b>December 10, 2023</b>
26		<b>to</b>	<b>to</b>	<b>to</b>
		<b>June 9, 2023</b>	<b>December 9, 2023</b>	<b>June 30, 2024</b>
27	<b>Level V Range</b>	<b>\$26,639 - \$114,182</b>	<b>\$27,971 - \$119,891</b>	<b>\$28,530 - \$122,289</b>
28	<b>Midpoint</b>	<b>\$70,411</b>	<b>\$73,932</b>	<b>\$75,411</b>
29	Director, Virginia Department	\$114,182	\$119,891	\$122,289
30	for the Deaf and Hard-of-			
31	Hearing			
32	Executive Director, Virginia	\$111,670	\$111,670	<del>\$113,903</del>
33	Commission for the Arts			\$122,289
34	Chairman, Compensation	\$26,639	\$27,971	\$28,530
35	Board			

36 7. Annual salaries of the directors of the independent agencies, as listed in this subdivision, shall be paid in the amounts shown.

1 All salary changes shall be subject to subdivisions c 1, c 2, and c 3 above.

	July 10, 2022 to June 9, 2023	June 10, 2023 to December 9, 2023	December 10, 2023 to June 30, 2024
4 <b>Independent Range</b>	<b>\$194,793 - \$210,558</b>	<b>\$204,533 - \$221,086</b>	<b>\$208,624 - \$225,508</b>
5 <b>Midpoint</b>	<b>\$202,676</b>	<b>\$212,810</b>	<b>\$217,066</b>
6 Executive Director, Virginia 7 Lottery	\$194,793	\$204,533	\$208,624
8 Director, Virginia Retirement 9 System	\$210,558	\$221,086	\$225,508
10 Chief Executive Officer, 11 Virginia College Savings Plan	\$207,715	\$218,101	\$222,463

12 8. Notwithstanding any provision of this Act, the Board of Trustees of the Virginia Retirement System may supplement the salary of  
13 its Director. The Board should be guided by criteria, which provide a reasonable limit on the total additional income of the Director.  
14 The criteria should include, without limitation, a consideration of the salaries paid to similar officials in comparable public pension  
15 plans. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and Appropriations  
16 and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report  
17 approved supplements to the Department of Human Resource Management for retention in its records.

18 9. Notwithstanding any provision of this Act, the Board of the Virginia College Savings Plan may supplement the compensation of  
19 its Chief Executive Officer. The Board should be guided by criteria which provide a reasonable limit on the total additional income  
20 of the Chief Executive Officer. The criteria should include, without limitation, a consideration of compensation paid to similar  
21 officials in comparable qualified tuition programs, independent public agencies or other entities with similar responsibilities and  
22 size. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and Appropriations  
23 and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report  
24 approved supplements to the Department of Human Resource Management for retention in its records.

25 10. Notwithstanding any provision of this act, the Board of the Virginia Alcoholic Beverage Control Authority may supplement the  
26 salary of its Chief Executive Officer in accordance with § 4.1-101.02. The Board should be guided by criteria, which provide a  
27 reasonable limit on the total additional income of the Chief Executive Officer. The criteria should include, without limitation, a  
28 consideration of the salaries paid to similar officials in comparable independent agencies. The Board shall report such criteria and  
29 potential supplement level to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees at least 60  
30 days prior to the effectuation of the compensation action. The Board shall report approved supplements to the Department of Human  
31 Resource Management for retention in its record.

32 d.1. Annual salaries of the presidents of the senior institutions of higher education, the President of Richard Bland College, the  
33 Chancellor of the University of Virginia's College at Wise, the Superintendent of the Virginia Military Institute, the Director of the  
34 State Council of Higher Education, the Director of the Southern Virginia Higher Education Center, the Director of the Southwest  
35 Virginia Higher Education Center and the Chancellor of Community Colleges, as listed in this paragraph, shall be paid in the  
36 amounts shown. The annual salaries of the presidents of the community colleges shall be fixed by the State Board for Community  
37 Colleges within a salary structure submitted to the Governor prior to June 1 each year for approval.

38 2.a) The board of visitors of each institution of higher education or the boards of directors for Southern Virginia Higher Education  
39 Center, Southwest Virginia Higher Education Center, and the New College Institute may annually supplement the salary of a  
40 president or director from private gifts, endowment funds, foundation funds, or income from endowments and gifts. Supplements  
41 paid from other than the cited sources prior to June 30, 1997, may continue to be paid. In approving a supplement, the board of  
42 visitors or board of directors should be guided by criteria which provide a reasonable limit on the total additional income of a  
43 president or director. The criteria should include a consideration of additional income from outside sources including, but not being  
44 limited to, service on boards of directors or other such services. The board of visitors or board of directors shall report approved  
45 supplements to the Department of Human Resource Management for retention in its records.

46 b) The State Board for Community Colleges may annually supplement the salary of the Chancellor from any available  
47 appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community Colleges  
48 should be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The criteria should  
49 include consideration of additional income from outside sources including, but not being limited to, service on boards of directors or  
50 other such services. The Board shall report approved supplements to the Department of Human Resource Management for retention  
51 in its records.

c) Norfolk State University is authorized to supplement the salary of its president from educational and general funds up to \$17,000.

d) Should a vacancy occur for the Director of the State Council of Higher Education on or after the date of enactment of this act, the salary for the new director shall be established by the State Council of Higher Education based on the salary range for Level I agency heads. Furthermore, the state council may provide a bonus of up to five percent of the annual salary for the new director.

	July 10, 2022 to June 9, 2023	June 10, 2023 to December 9, 2023	December 10, 2023 to June 30, 2024
NEW COLLEGE INSTITUTE			
Executive Director, New College Institute	\$163,536	\$171,713	\$175,147 \$147,263
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA			
Director, State Council of Higher Education for Virginia	\$231,059	\$242,612	\$247,464
SOUTHERN VIRGINIA HIGHER EDUCATION CENTER			
Director, Southern Virginia Higher Education Center	\$163,536	\$171,713	\$175,147
SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER			
Director, Southwest Virginia Higher Education Center	\$163,536	\$171,713	\$175,147
VIRGINIA COMMUNITY COLLEGE SYSTEM			
Chancellor of Community Colleges	\$209,626	\$220,107	\$224,509
SENIOR COLLEGE PRESIDENTS' SALARIES			
Chancellor, University of Virginia's College at Wise	\$136,489	\$143,067	\$145,928
President, Christopher Newport University	\$165,182	\$173,444	\$176,913
President, The College of William and Mary in Virginia	\$190,891	\$200,436	\$204,445
President, George Mason University	\$178,288	\$187,202	\$190,946
President, James Madison University	\$195,355	\$205,123	\$209,225
President, Longwood University	\$178,215	\$187,126	\$190,869
President, Norfolk State	\$207,833	\$218,225	\$222,590

1	University			
2	President, Old Dominion	\$196,807	\$206,647	\$210,780
3	University			
4	President, Radford University	\$184,173	\$193,382	\$197,250
5	President, Richard Bland	\$157,251	\$165,114	\$168,416
6	College			
7	President, University of Mary	\$171,513	\$180,089	\$183,691
8	Washington			
9	President, University of	\$212,324	\$222,940	\$227,399
10	Virginia			
11	President, Virginia	\$205,496	\$215,771	\$220,086
12	Commonwealth University			
13	President, Virginia Polytechnic	\$224,599	\$235,829	\$240,546
14	Institute and State University			
15	President, Virginia State	\$173,163	\$181,821	\$185,457
16	University			
17	Superintendent, Virginia	\$175,344	\$184,111	\$187,793
18	Military Institute			
19	e. 1. Salaries for newly employed or promoted employees shall be established consistent with the compensation and classification plans established by the Governor.			
20				
21	2. The State Comptroller is hereby authorized to require payment of wages or salaries to state employees by direct deposit or by credit to a prepaid debit card or card account from which the employee is able to withdraw or transfer funds.			
22				
23	f. The provisions of this section, requiring prior written approval of the Governor relative to compensation, shall apply also to any system of incentive award payments which may be adopted and implemented by the Governor. The cost of implementing any such system shall be paid from any funds appropriated to the affected agencies.			
24				
25				
26	g. No lump sum appropriation for personal service shall be regarded as advisory or suggestive of individual salary rates or of salary schedules to be fixed under law by the Governor payable from the lump sum appropriation.			
27				
28	h. Subject to approval by the Governor of a plan for a statewide employee meritorious service awards program, as provided for in § 2.2-1201, Code of Virginia, the costs for such awards shall be paid from any operating funds appropriated to the affected agencies.			
29				
30	i. The General Assembly hereby affirms and ratifies the Governor's existing authority and the established practice of this body to provide for pay differentials or to supplement base rates of pay for employees in specific job classifications in particular geographic and/or functional areas where, in the Governor's discretion, they are needed for the purpose of maintaining salaries which enable the Commonwealth to maintain a competitive position in the relevant labor market.			
31				
32				
33				
34	j.1. If at any time the Administrator of the Commonwealth's Attorneys' Services Council serves on the faculty of a state-supported institution of higher education, the faculty appointment must be approved by the Council. Such institution shall pay one-half of the salary listed in § 4-6.01 c 6 of this act. Further, such institution may provide compensation in addition to that listed in § 4-6.01 c 6; provided, however, that such additional compensation must be approved by the Council.			
35				
36				
37				
38	2. If the Administrator ceases to be a member of the faculty of a state-supported institution of higher education, the total salary listed in § 4-6.01 c 6 shall be paid from the Council's appropriation.			
39				
40	k.1.a. Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role contained in the compensation and classification plans approved by the Governor shall be effective beginning with the first pay period, defined as the pay period from June 25 through July 9, of the fiscal year if: (1) the agency certifies to the Secretary of Finance that funds are available within the agency's appropriation to cover the cost of the increase for the remainder of the current biennium and presents a plan for covering the costs next biennium and the Secretary concurs, or (2) such funds are appropriated by the General Assembly. If at any time the Secretary of Administration shall certify that such change in the salary band assignment for a job role is of an emergency nature and the Secretary of Finance shall certify that funds are available to cover the cost of the increase for the remainder of the biennium within the agency's appropriation, such change in compensation may be effective on a date agreed upon			
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47				



by these two Secretaries. The Secretary of Administration shall provide a monthly report of all such emergency changes in accordance with § 4-8.00, Reporting Requirements.

b. Notwithstanding any other provision of law, state employees will be paid on the first workday of July for the work period June 10 to June 24 in any calendar year in which July 1 falls on a weekend.

2. Salary adjustments for any employee through a promotion, role change, exceptional recruitment and retention incentive options, or in-range adjustment shall occur only if: a) the agency has sufficient funds within its appropriation to cover the cost of the salary adjustment for the remainder of the current biennium or b) such funds are appropriated by the General Assembly.

3. No changes in salary band assignments affecting classified employees of more than one agency shall become effective unless the Secretary of Finance certifies that sufficient funds are available to provide such increase or plan to all affected employees supported from the general fund.

1. Full-time employees of the Commonwealth, including faculty members of state institutions of higher education, who are appointed to a state-level board, council, commission or similar collegial body shall not receive any such compensation for their services as members or chairmen except for reimbursement of reasonable and necessary expenses. The foregoing provision shall likewise apply to the Compensation Board, pursuant to § 15.2-1636.5, Code of Virginia.

m.1. Notwithstanding any other provision of law, the board of visitors or other governing body of any public institution of higher education is authorized to establish age and service eligibility criteria for faculty participating in voluntary early retirement incentive plans for their respective institutions pursuant to § 23.1-1302 B and the cash payment offered under such compensation plans pursuant to § 23.1-1302 D, Code of Virginia. Notwithstanding the limitations in § 23.1-1302 D, the total cost in any fiscal year for any such compensation plan, shall be set forth by the governing body in the compensation plan for approval by the Governor and review for legal sufficiency by the Office of the Attorney General.

2. Notwithstanding any other provision of law, employees holding full-time, academic-year classified positions at public institutions of higher education shall be considered "state employees" as defined in § 51.1-124.3, Code of Virginia, and shall be considered for medical/hospitalization, retirement service credit, and other benefits on the same basis as those individuals appointed to full-time, 12-month classified positions.

n. Notwithstanding the Department of Human Resource Management Policies and Procedures, payment to employees with five or more years of continuous service who either terminate or retire from service shall be paid in one sum for twenty-five percent of their sick leave balance, provided, however, that the total amount paid for sick leave shall not exceed \$5,000 and the remaining seventy-five percent of their sick leave shall lapse. This provision shall not apply to employees who are covered by the Virginia Sickness and Disability Program as defined in § 51.1-1100, Code of Virginia. Such employees shall not be paid for their sick leave balances. However, they will be paid, if eligible as described above, for any disability leave credits they have at separation or retirement or may convert disability credits to service credit under the Virginia Retirement System pursuant to § 51.1-1103 (F), Code of Virginia.

o. It is the intent of the General Assembly that calculation of the faculty salary benchmark goal for the Virginia Community College System shall be done in a manner consistent with that used for four-year institutions, taking into consideration the number of faculty at each of the community colleges. In addition, calculation of the salary target shall reflect an eight percent salary differential in a manner consistent with other public four-year institutions and for faculty at Northern Virginia Community College.

p. Any public institution of higher education that has met the eligibility criteria set out in Chapters 933 and 945 of the 2005 Acts of Assembly may supplement annual salaries for classified employees from private gifts, endowment funds, or income from endowments and gifts, subject to policies approved by the board of visitors. The Commonwealth shall have no general fund obligations for the continuation of such salary supplements.

q. The Governor, or any other appropriate Board or Public Body, is authorized to adjust the salaries of employees specified in this item, and other items in the Act, to reflect the compensation adjustments authorized in this Act.

r. Any public institution of higher education shall not provide general fund monies above \$100,000 for any individual athletic coaching salaries after July 1, 2013. Athletic coaching salaries with general fund monies above this amount shall be phased-down over a five-year period at 20 percent per year until reaching the cap of \$100,000.

#### § 4-6.02 EMPLOYEE TRAINING AND STUDY

Subject to uniform rules and regulations established by the Governor, the head of any state agency may authorize, from any funds appropriated to such department, institution or other agency in this act or subsequently made available for the purpose, compensation or expenses or both compensation and expenses for employees pursuing approved training courses or academic studies for the purpose of becoming better equipped for their employment in the state service. The rules and regulations shall include reasonable provision for the return of any employee receiving such benefits for a reasonable period of duty, or for reimbursement to the state for expenditures incurred on behalf of the employee should he not return to state service.

1 § 4-6.03 EMPLOYEE BENEFITS

2 a. Any medical/hospitalization benefit program provided for state employees shall include the following provision: any state  
3 employee, as defined in § 2.2-2818, Code of Virginia, shall have the option to accept or reject coverage.

4 b. Except as provided for sworn personnel of the Department of State Police, no payment of, or reimbursement for, the employer  
5 paid contribution to the State Police Officers' Retirement System, or any system offering like benefits, shall be made by the  
6 Compensation Board of the Commonwealth at a rate greater than the employer rate established for the general classified workforce  
7 of the Commonwealth covered under the Virginia Retirement System. Any cost for benefits exceeding such general rate shall be  
8 borne by the employee or, in the case of a political subdivision, by the employer.

9 c. Each agency may, within the funds appropriated by this act, implement a transit and ridesharing incentive program for its  
10 employees. With such programs, agencies may reimburse employees for all or a portion of the costs incurred from using public  
11 transit, car pools, or van pools. The Secretary of Transportation shall develop guidelines for the implementation of such programs  
12 and any agency program must be developed in accordance with such guidelines. The guidelines shall be in accordance with the  
13 federal National Energy Policy Act of 1992 (P.L. 102-486), and no program shall provide an incentive that exceeds the actual costs  
14 incurred by the employee.

15 d. Any hospital that serves as the primary medical facility for state employees may be allowed to participate in the State Employee  
16 Health Insurance Program pursuant to § 2.2-2818, Code of Virginia, provided that (1) such hospital is not a participating provider in  
17 the network, contracted by the Department of Human Resource Management, that serves state employees and (2) such hospital  
18 enters into a written agreement with the Department of Human Resource Management as to the rates of reimbursement. The  
19 department shall accept the lowest rates offered by the hospital from among the rates charged by the hospital to (1) its largest  
20 purchaser of care, (2) any state or federal public program, or (3) any special rate developed by the hospital for the state employee  
21 health benefits program which is lower than either of the rates above. If the department and the hospital cannot come to an  
22 agreement, the department shall reimburse the hospital at the rates contained in its final offer to the hospital until the dispute is  
23 resolved. Any dispute shall be resolved through arbitration or through the procedures established by the Administrative Process Act,  
24 as the hospital may decide, without impairment of any residual right to judicial review.

25 e. Any classified employee of the Commonwealth and any person similarly employed in the legislative, judicial and independent  
26 agencies who (i) is compensated on a salaried basis and (ii) works at least twenty hours per week shall be considered a full-time  
27 employee for the purposes of participation in the Virginia Retirement System's group life insurance and retirement programs. Any  
28 part-time magistrate hired prior to July 1, 1999, shall have the option of participating in the programs under this provision.

29 f.1. Any member of the Virginia Retirement System who is retired under the provisions of § 51.1-155.1, Code of Virginia who: 1)  
30 returns to work in a position that is covered by the provisions of § 51.1-155.1, Code of Virginia after a break of not less than four  
31 years, 2) receives no other compensation for service to a public employer than that provided for the position covered by § 51.1-  
32 155.1, Code of Virginia during such period of reemployment, 3) retires within one year of commencing such period of  
33 reemployment, and 4) retires directly from service at the end of such period of reemployment may either:

34 a) Revert to the previous retirement benefit received under the provisions of § 51.1-155.1, Code of Virginia, including any annual  
35 cost of living adjustments granted thereon. This benefit may be adjusted upward to reflect the effect of such additional months of  
36 service and compensation received during the period of reemployment, or

37 b) Retire under the provisions of Title 51.1 in effect at the termination of his or her period of reemployment, including any purchase  
38 of service that may be eligible for purchase under the provisions of § 51.1-142.2, Code of Virginia.

39 2. The Virginia Retirement System shall establish procedures for verification by the employer of eligibility for the benefits provided  
40 for in this paragraph.

41 g. Notwithstanding any other provision of law, no agency head compensated by funds appropriated in this act may be a member of  
42 the Virginia Law Officers' Retirement System created under Title 51.1, Chapter 2.1, Code of Virginia. The provisions of this  
43 paragraph are effective on July 1, 2002, and shall not apply to the Chief of the Capitol Police.

44 h. Full-time employees appointed by the Governor who, except for meeting the minimum service requirements, would be eligible for  
45 the provisions of § 51.1-155.1, Code of Virginia, may, upon termination of service, use any severance allowance payment to  
46 purchase service to meet, but not exceed, the minimum service requirements of § 51.1-155.1, Code of Virginia. Such service  
47 purchase shall be at the rate of 15 percent of the employee's final creditable compensation or average final compensation, whichever  
48 is greater, and shall be completed within 90 days of separation of service.

49 i. When calculating the retirement benefits payable under the Virginia Retirement System (VRS), the State Police Officers'  
50 Retirement System (SPORS), the Virginia Law-enforcement Officers' Retirement System (VaLORS), or the Judicial Retirement  
51 System (JRS) to any employee of the Commonwealth or its political subdivisions who is called to active duty with the armed forces  
52 of the United States, including the United States Coast Guard, the Virginia Retirement System shall:

53 1) utilize the pre-deployment salary, or the actual salary paid by the Commonwealth or the political subdivision, whichever is higher,

when calculating average compensation, and

2) include those months after September 1, 2001 during which the employee was serving on active duty with the armed forces of the United States in the calculation of creditable service.

j. The provisions in § 51.1-144, Code of Virginia, that require a member to contribute five percent of his creditable compensation for each pay period for which he receives compensation on a salary reduction basis, shall not apply to any (i) "state employee," as defined in § 51.1-124.3, Code of Virginia, who is an elected official, or (ii) member of the Judicial Retirement System under Chapter 3 of Title 51.1 (§ 51.1-300 et seq.), who is not a "person who becomes a member on or after July 1, 2010," as defined in § 51.1-124.3, Code of Virginia.

k. Notwithstanding the provisions of subsection G of § 51.1-156, any employee of a school division who completed a period of 24 months of leave of absence without pay during October 2013 and who had previously submitted an application for disability retirement to VRS in 2011 may submit an application for disability retirement under the provisions of § 51.1-156. Such application shall be received by the Virginia Retirement System no later than October 1, 2014. This provision shall not be construed to grant relief in any case for which a court of competent jurisdiction has already rendered a decision, as contemplated by Article II, Section 14 of the Constitution of Virginia.

#### § 4-6.04 CHARGES

a. **FOOD SERVICES:** Except as exempted by the prior written approval of the Director, Department of Human Resource Management, and the provisions of § 2.2-3605, Code of Virginia, state employees shall be charged for meals served in state facilities. Charges for meals will be determined by the agency. Such charges shall be not less than the value of raw food and the cost of direct labor and utilities incidental to preparation and service. Each agency shall maintain records as to the calculation of meal charges and revenues collected. Except where appropriations for operation of the food service are from nongeneral funds, all revenues received from such charges shall be paid directly and promptly into the general fund. The provisions of this paragraph shall not apply to on-duty employees assigned to correctional facilities operated by the Departments of Corrections and Juvenile Justice.

#### b. **HOUSING SERVICES:**

1. Each agency will collect a fee from state employees who occupy state-owned or leased housing, subject to guidelines provided by the Director, Department of General Services. Each agency head is responsible for establishing a fee for state-owned or leased housing and for documenting in writing why the rate established was selected. In exceptional circumstances, which shall be documented as being in the best interest of the Commonwealth by the agency requesting an exception, the Director, Department of General Services may waive the requirement for collection of fees.

2. All revenues received from housing fees shall be promptly deposited in the state treasury. For housing for which operating expenses or rent are financed by general fund appropriations, such revenues shall be deposited to the credit of the general fund. For housing for which operating expenses or rent are financed by nongeneral fund appropriations, such revenues shall be deposited to the credit of the nongeneral fund. Agencies which provide housing for which operating expenses or rent are financed from both general fund and nongeneral fund appropriations shall allocate such revenues, when deposited in the state treasury, to the appropriate fund sources in the same proportion as the appropriations. However, without exception, any portion of a housing fee attributable to depreciation for housing which was constructed with general fund appropriations shall be paid into the general fund.

#### c. **PARKING SERVICES:**

##### 1. **State-owned parking facilities**

Agencies with parking space for employees in state-owned facilities shall, when required by the Director, Department of General Services, charge employees for such space on a basis approved by the Governor. All revenues received from such charges shall be paid directly and promptly into a special fund in the state treasury to be used, as determined by the Governor, for payment of costs for the provision of vehicle parking spaces. Interest shall be added to the fund as earned. -

##### 2. **Leased parking facilities in metropolitan Richmond area**

Agencies occupying private sector leased or rental space in the metropolitan Richmond area, not including institutions of higher education, shall be required to charge a fee to employees for vehicle parking spaces that are assigned to them or are otherwise available either incidental to the lease or rental agreement or pursuant to a separate lease agreement for private parking space. In such cases, the individual employee parking fee shall not be less than that paid by employees parking in Department of General Services parking facilities at the Seat of Government. The Director, Department of General Services may amend or waive the fee requirement for good cause. Revenues derived from employees paying for parking spaces in leased facilities will be retained by the leasing agency to be used to offset the cost of the lease to which it pertains. Any lease for private parking space must be approved by the Director, Department of General Services.

##### 3. **The assignment of Lot P1A of the Department of General Services, Capitol Area Site Plan, to include parking spaces 1**

through 37, but excluding spaces 34 and 36, which shall be reserved for the Department of General Services, and the surrounding surfaces around those spaces shall be under the control of the Committee on Joint Rules and administered by the Clerk of the House and the Clerk of the Senate. Any employee permanently assigned to any of these spaces shall be subject to the provisions of paragraph 1 of this item.

4.a. The assignment of 300 parking spaces in the Department of General Services parking facility to be built at the corner of 9th and Broad Streets in the City of Richmond, shall be under the control of the Committee on Joint Rules and administered by the Clerk of the House and the Clerk of the Senate. Such parking spaces shall be subject to the provisions of paragraph 1 of this item.

b. The remaining parking spaces in the Department of General Services parking facility to be built at the corner of the 9th and Broad Streets in the City of Richmond shall be under the control of and administered by the Department of General Services; however, the Department shall prioritize remaining spaces in the DGS parking system to full-time employees of the Legislative Department with permanent offices in the General Assembly Building who participate in the DGS parking system on an annual basis. Such parking spaces shall be subject to the provisions of paragraph 1 of this item.

#### § 4-6.05 SELECTION OF APPLICANTS FOR CLASSIFIED POSITIONS

It is the responsibility of state agency heads to ensure that all provisions outlined in Title 2.2, Chapter 29, Code of Virginia (the Virginia Personnel Act), and executive orders that govern the practice of selecting applicants for classified positions are strictly observed. The Governor's Secretaries shall ensure this provision is faithfully enforced.

#### § 4-6.06 POSITIONS GOVERNED BY CHAPTERS 933 AND 943 OF THE 2006 ACTS OF ASSEMBLY

Except as provided in subsection A of § 23.1-1020 of the Code of Virginia, § 4-6.00 shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly, with regard to their participating covered employees, as that term is defined in those two chapters, except to the extent a specific appropriation or language in this act addresses such an employee.

### § 4-7.00 STATEWIDE PLANS

#### § 4-7.01 MANPOWER CONTROL PROGRAM

a.1. The term Position Level is defined as the number of full-time equivalent (FTE) salaried employees assigned to an agency in this act. Except as provided in § 4-7.01 b, the Position Level number stipulated in an agency's appropriation is the upper limit for agency employment which cannot be exceeded during the fiscal year without approval from the Director, Department of Planning and Budget for Executive Department agencies, approval from the Joint Committee on Rules for Legislative Department agencies or approval from the appropriate governing authority for the independent agencies.

2. Any approval granted under this subsection shall be reported in writing to the Chairmen of the House Appropriations Committee and the Senate Finance and Appropriations Committee, the Governor and the Directors of the Department of Planning and Budget and Department of Human Resource Management within ten days of such approval. Approvals for executive department agencies shall be based on threats to life, safety, health, or property, or compliance with judicial orders or federal mandates, to support federal grants or private donations, to administer a program for another agency or to address an immediate increase in workload or responsibility or when to delay approval of increased positions would result in a curtailment of services prior to the next legislative session. Any such position level increases pursuant to this provision may not be approved for more than one year.

b. The Position Levels stipulated for the individual agencies within the Department of Behavioral Health and Developmental Services and the Department of Corrections are for reference only and are subject to changes by the applicable Department, provided that such changes do not result in exceeding the Position Level for that department.

c.1. The Governor shall implement such policies and procedures as are necessary to ensure that the number of employees in the Executive Department, excluding institutions of higher education and the State Council of Higher Education, may be further restricted to the number required for efficient operation of those programs approved by the General Assembly. Such policies and procedures shall include periodic review and analysis of the staffing requirements of all Executive Department agencies by the Department of Planning and Budget with the object of eliminating through attrition positions not necessary for the efficient operation of programs.

2. The institutions of higher education and the State Council of Higher Education are hereby authorized to fill all positions authorized in this act. This provision shall be waived only upon the Governor's official declaration that a fiscal emergency exists requiring a change in the official estimate of general fund revenues available for appropriation.

d.1. Position Levels are for reference only and are not binding on agencies in the legislative department, independent agencies, the Executive Offices other than the offices of the Governor's Secretaries, and the judicial department.

2. Positions assigned to programs supported by internal service funds are for reference only and may fluctuate depending upon workload and funding availability.

3. Positions assigned to sponsored programs, auxiliary enterprises, continuing education, and teaching hospitals in the institutions of higher education are for reference only and may fluctuate depending upon workload and funding availability. Positions assigned to Item Detail 43012, State Health Services Technical Support and Administration, at Virginia Commonwealth University are for reference only and may fluctuate depending upon workload and funding availability.

4. Positions assigned to educational and general programs in the institutions of higher education are for reference only and may fluctuate depending upon workload and funding availability. However, total general fund positions filled by an institution of higher education may not exceed 105 percent of the general fund positions appropriated without prior approval from the Director, Department of Planning and Budget.

5. Positions assigned to Item Details 47001, Job Placement Services; 47002, Unemployment Insurance Services; 47003, Workforce Development Services; and 53402, Economic Information Services, at the Virginia Employment Commission are for reference only and may fluctuate depending upon workload and funding availability. Unless otherwise required by the funding source, after enactment of this act, any new positions hired using this provision shall not be subject to transitional severance benefit provisions of the Workforce Transition Act of 1995, Title 2.2, Chapter 32, Code of Virginia.

6. Positions assigned to the Virginia Management Fellows Program Administration are for reference only and may fluctuate depending on funding availability.

e. Prior to implementing any Executive Department hiring freeze, the Governor shall consider the needs of the Commonwealth in regards to the safe and efficient operation of state facilities and performance of essential services to include the exemption of certain positions assigned to agencies and institutions that provide services pertaining to public safety and public health from such hiring freezes.

f.1. Full-time, part-time, wage or contractual state employees assigned to the Governor's Cabinet Secretaries from agencies and institutions under their control for the purpose of carrying out temporary assignments or projects may not be so assigned for a period exceeding 180 days in any calendar year. The permanent transfer of positions from an agency or institution to the Offices of the Secretaries, or the temporary assignment of agency or institutional employees to the Offices of the Secretaries for periods exceeding 180 days in any calendar year regardless of the separate or discrete nature of the projects, is prohibited without the prior approval of the General Assembly.

2. Not more than three positions in total, as described in subsection 1 hereof, may be assigned at any time to the Office of any Cabinet Secretary, unless specifically approved in writing by the Governor. The Governor shall notify the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees in the case of any such approvals.

g. All state employees, including those in the legislative, judicial, and executive branches and the independent agencies of the Commonwealth, who are not eligible for benefits under a health care plan established and administered by the Department of Human Resource Management (DHRM) pursuant to Va. Code § 2.2-2818, or by an agency administering its own health care plan, may not work more than 29 hours per week on average over a twelve month period. Adjunct faculty at institutions of higher education may not work more than 29 hours per week on average over a twelve month period, including classroom or other instructional time plus additional hours determined by the institution as necessary to perform the adjunct faculty's duties. DHRM shall provide relevant program requirements to agencies and employees, including, but not limited to, information on wage, variable and seasonal employees. All state agencies/employers in all branches of government shall provide information requested by DHRM concerning hours worked by employees as needed to comply with the Affordable Care Act (the "Act") and this provision. State agencies/employers are accountable for compliance with this provision, and are responsible for any costs associated with maintaining compliance with it and for any costs or penalties associated with any violations of the Act or regulations thereunder and any such costs shall be borne by the agency from existing appropriations. The provisions of this paragraph shall not apply to employees of state teaching hospitals that have their own health insurance plan; however, the state teaching hospitals are accountable for compliance with, and are responsible for any costs associated with maintaining compliance with the Act and for any costs or penalties associated with any violations of the Act or regulations thereunder and any such costs shall be borne by the agency from existing appropriations. Subject to approval of the Governor, DHRM shall modify this provision consistent with any updates or changes to federal law and regulations.

## **§ 4-8.00 REPORTING REQUIREMENTS**

### **§ 4-8.01 GOVERNOR**

#### **a. General:**

1. The Governor shall submit the information specified in this section to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on a monthly basis, or at such intervals as may be directed by said Chairmen, or as specified elsewhere in this act. The information on agency operating plans and expenditures as well as agency budget requests shall be submitted in such form, and by such method, including electronically, as may be mutually agreed upon. Such information shall be preserved for public inspection in the Department of Planning and Budget.

2. The Governor shall make available annually to the Chairmen of the Senate Finance and Appropriations, House Finance, and



House Appropriations Committees a report concerning the receipt of any nongeneral funds above the amount(s) specifically appropriated, their sources, and the amounts for each agency affected.

3. a) It is the intent of the General Assembly that reporting requirements affecting state institutions of higher education be reduced or consolidated where appropriate. State institutions of higher education, working with the Secretary of Education and Workforce, Secretary of Finance, and the Director, Department of Planning and Budget, shall continue to identify specific reporting requirements that the Governor may consider suspending.

b) Reporting generally should be limited to instances where (1) there is a compelling state interest for state agencies to collect, use, and maintain the information collected; (2) substantial risk to the public welfare or safety would result from failing to collect the information; or (3) the information collected is central to an essential state process mandated by the Code of Virginia.

c) Upon the effective date of this act, and until its expiration date, the following reporting requirements are hereby suspended or modified as specified below:

Agency	Report Title of Descriptor	Authority	Action
Department of Accounts	Intercollegiate Athletics Receipts & Disbursements	Code of Virginia § 23.1-102.	Suspend reporting.
Department of Accounts	Prompt Pay Summary Report	Agency Directive	Change reporting from monthly to quarterly.
Department of General Services	Usage of State-Assigned and State-Owned Vehicles Report	Agency Directive -- Executive Order 89 (2005)	Suspend reporting.
Department of General Services	Gas Report/Repair Charge	Agency Directive--Executive Order 89 (2005)	Suspend reporting.
Department of Human Resource Management	Report of Personnel Development Service	Agency Directive	Suspend reporting.
Department of Human Resource Management	Human Capital Report (Full-Time, Part-Time, Temporary, Contractual employees funded by the Commonwealth)	Code of Virginia § 2.2-1201. 14.	A. Change reporting from annually to monthly.
Department of Human Resource Management	Work-related injuries and illnesses report -- goals, strategies, and results	Agency Directive -- Executive Order 94 (2005)	Suspend reporting.
Governor's Office	Small, Women-and Minority-owned Businesses (SWaM)	Executive Directive	Change reporting from weekly to monthly.
Secretary of Commerce and Trade	Recruitment of National and Regional Conferences Report	Agency Directive -- Executive Order 14 (2006)	Suspend reporting.

d) The Department of Planning and Budget (DPB) and the State Council of Higher Education for Virginia (SCHEV) shall work jointly to attempt to consolidate various reporting requirements pertaining to the estimates and projections of nongeneral fund revenues in institutions of higher education. The purpose of this effort shall be aimed at developing a common form for use in collecting nongeneral fund data for DPB's six-year nongeneral fund revenue estimate submission and SCHEV's annual survey of nongeneral fund revenue from institutions of higher education.

e) For reporting on fiscal year 2023 and beyond, reporting requirements on intercollegiate athletic revenues and expenses, specifically related to the share of athletic revenues from school funds and student fees, as set out in § 23.1-1309, Code of Virginia, fiscal years 2020, 2021, and 2022 shall be excluded from the calculated five-year rolling average of the change in generated revenue and student fees also outlined in § 23.1-1309, Code of Virginia.

4.a) Except for the reports required under Item 479.10 of this act, the Governor may delay or defer the submission of any report or study that is required by the Code of Virginia or by this Act of a state entity, including agencies, boards, commissions, and authorities, and that is due prior to June 30, 2021, if in the opinion of the Governor, meeting the reporting deadline is either not possible or is impractical due to impacts of the COVID-19 pandemic on the reporting entity. Reporting entities seeking approval of

the Governor to grant such a delay must submit a written request to the Governor no less than 30 days prior to the reporting deadline. Upon receiving approval from the Governor, the reporting entity shall provide the parties designated to receive the report with notice of an approved delay. This notice shall be in lieu of the required report until such time as the required report is submitted. Any report receiving approval for delayed submission shall be submitted as soon as the reporting entity can resume normal business operations and can complete the work necessary to compile the report; however, no report shall be submitted later than 12 months from the original reporting requirement.

b) The Governor may establish guidelines for the submission and approval process described in paragraph a) above.

#### b. Operating Appropriations Reports:

1. Status of Adjustments to Appropriations. Such information must include increases and decreases of appropriations or allotments, transfers and additional revenues. A report of appropriation transfers from one agency to another made pursuant to § 4-1.03 of this act shall be made available via electronic means to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and the public by the tenth day of the month following that in which such transfer occurs, unless otherwise specified in § 4-1.03.

2. Status of each sum sufficient appropriation. The information must include the amount of expenditures for the period just completed and the revised estimates of expenditures for the remaining period of the current biennium, as well as an explanation of differences between the amount of the actual appropriation and actual and/or projected appropriations for each year of the current biennium.

3. Status of Economic Contingency Appropriation. The information must include actions taken related to the appropriation for economic contingency.

4. Status of Withholding Appropriations. The information must include amounts withheld and the agencies affected.

5. Status of reductions occurring in general and nongeneral fund revenues in relation to appropriations.

6. Status of approvals of deficits.

#### c. Employment Reports:

1. Status of changes in positions and employment of state agencies affected. The information must include the number of positions and the agencies affected.

2. Status of the employment by the Attorney General of special counsel in certain highway proceedings brought pursuant to Chapter 10 of Title 33.2, Code of Virginia, on behalf of the Commissioner of Highways, as authorized by § 2.2-510, Code of Virginia. This report shall include fees for special counsel for the respective county or city for which the expenditure is made and shall be submitted within 60 days of the close of the fiscal year (see § 4-5.02 a.3).

3. Changes in the level of compensation authorized pursuant to § 4-6.01 k, Employee Compensation. Such report shall include a list of the positions changed, the number of employees affected, the source and amount of funds, and the nature of the emergency.

4. Pursuant to requirements of § 2.2-203.1, Code of Virginia, the Secretary of Administration, in cooperation with the Secretary of Technology, shall provide a report describing the Commonwealth's telecommuting policies, which state agencies and localities have adopted telecommuting policies, the number of state employees who telecommute, the frequency with which state employees telecommute by locality, and the efficacy of telecommuting policies in accomplishing the provision of state services and completing state functions. This report shall be provided to the Chairmen of the House Committee on Appropriations, the House Committee on Science and Technology, the Senate Committee on Finance, and the Senate Committee on General Laws and Technology each year by October 1.

#### d. Capital Appropriations Reports:

1. Status of progress of capital projects on an annual basis (see § 4-4.01 o).

2. Notice of all capital projects authorized under § 4-4.01 l (see § 4-4.01 l. 1. b) 4)).

#### e. Utilization of State Owned and Leased Real Property:

1. By November 15 of each year, the Department of General Services (DGS) shall consolidate the reporting requirements of § 2.2-1131.1 and § 2.2-1153 of the Code of Virginia into a single report eliminating the individual reports required by § 2.2-1131.1 and § 2.2-1153 of the Code of Virginia. This report shall be submitted to the Governor and the General Assembly and include (i) information on the implementation and effectiveness of the program established pursuant to subsection A of § 2.2-1131.1, (ii) a listing of real property leases that are in effect for the current year, the agency executing the lease, the amount of space leased, the population of each leased facility, and the annual cost of the lease; and, (iii) a report on DGS's findings and recommendations under the provisions of § 2.2-1153, and recommendations for any actions that may be required by the

Governor and the General Assembly to identify and dispose of property not being efficiently and effectively utilized.

2. By October 1 of each year, each agency that controls leased property, where such leased property is not under the DGS lease administration program, shall provide a report on each leased facility or portion thereof to DGS in a manner and form prescribed by DGS. Specific data included in the report shall identify at a minimum, the number of square feet occupied, the number of employees and contractors working in the leased space, if applicable, and the cost of the lease.

f. Services Reports:

Status of any exemptions by the State Council of Higher Education to policy which prohibits use of funds in this act for the operation of any academic program by any state institution of higher education, unless approved by the Council and included in the Governor's recommended budget, or approved by the General Assembly (see § 4-5.05 b 2).

g. Standard State Agency Abbreviations:

The Department of Planning and Budget shall be responsible for maintaining a list of standard abbreviations of the names of state agencies. The Department shall make a listing of agency standard abbreviations available via electronic means on a continuous basis to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, the State Comptroller, the Director, Department of Human Resource Management and the Chief Information Officer, Virginia Information Technologies Agency, and the public.

h. Educational and General Program Nongeneral Fund Administrative Appropriations Approved by the Department of Planning and Budget:

The Secretary of Finance and Secretary of Education, in collaboration with the Director, Department of Planning and Budget, shall report in December and June of each year to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on adjustments made to higher education operating funds in the Educational and General Programs (10000) items for each public college and university contained in this budget. The report shall include actual or projected adjustments which increase nongeneral funds or actual or projected adjustments that transfer nongeneral funds to other items within the institution. The report shall provide the justification for the increase or transfer and the relative impact on student groups.

#### § 4-8.02 STATE AGENCIES

a. As received, all state agencies shall forward copies of each federal audit performed on agency or institution programs or activities to the Auditor of Public Accounts and to the State Comptroller. Upon request, all state agencies shall provide copies of all internal audit reports and access to all working papers prepared by such auditors to the Auditor of Public Accounts and to the State Comptroller.

b. Annually: Within five calendar days after state agencies submit their budget requests, amendment briefs, or requests for amendments to the Department of Planning and Budget, the Director, Department of Planning and Budget shall submit, electronically if available, copies to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees.

c. By September 1 of each year, state agencies receiving any asset as the result of a law-enforcement seizure and subsequent forfeiture by either a state or federal court, shall submit a report identifying all such assets received during the prior fiscal year and their estimated net worth, to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

d. Any state agency that is required to return federal grant funding as a result of not fulfilling the specifications of a grant, shall, as soon as practicable but no later than November 1st, report to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees of such forfeiting of federal grant funding.

#### § 4-8.03 LOCAL GOVERNMENTS

a.1. The Auditor of Public Accounts shall establish a workgroup to develop criteria for a preliminary determination that a local government may be in fiscal distress. Such criteria shall be based upon information regularly collected by the Commonwealth or otherwise regularly made public by the local government. This information includes expenditure reports submitted to the Auditor, budget information posted on local government websites, and reports prepared by the Commission on Local Government on revenue fiscal stress. Information provided by the Virginia Retirement System, the Virginia Resources Authority, the Virginia Public Building Authority, and other state and regional authorities concerning late or missed debt service payments shall be shared with the Auditor. Fiscal distress as used in this context shall mean a situation whereby the provision and sustainability of public services is threatened by various administrative and financial shortcomings including but not limited to cash flow issues; inability to pay expenses; revenue shortfalls; deficit spending; structurally imbalanced budgets; billing and revenue collection inadequacies and discrepancies; debt overload; failure to meet obligations to authorities, school divisions, or political subdivisions of the Commonwealth; and/or lack of trained and qualified staff to process administrative and financial transactions. Fiscal distress may be caused by factors internal to the unit of government or external to the unit of government and in various degrees such conditions may or may not be controllable by management, or the local governing body, or its constitutional officers.

2. Based upon the criteria established by the workgroup and using information identified above, the Auditor of Public Accounts shall



1 establish a prioritized early warning system. Under the prioritized early warning system, the Auditor of Public Accounts shall  
 2 establish a regular process whereby it reviews data on at least an annual basis to make a preliminary determination that a local  
 3 government is in fiscal distress.

4 3. For local governments where the Auditor of Public Accounts has made a preliminary determination of fiscal distress based  
 5 upon the early warning system criteria, the Auditor of Public Accounts shall notify the local governing body of its preliminary  
 6 determination that it may meet the criteria for fiscal distress. Based upon the request of the local governing body or chief  
 7 executive officer, the Auditor of Public Accounts may conduct a review and request documents and data from the local  
 8 government. Such review shall consider factors including, but not limited to, budget processes, debt, borrowing, expenses and  
 9 payables, revenues and receivables, and other areas including staffing, and the identification of external variables contributing  
 10 to a locality's financial position, and if so, the scope of the issues involved. Any local governing body that receives requests for  
 11 information from the Auditor of Public Accounts pursuant to such preliminary determination based on the above described  
 12 threshold levels shall acknowledge receipt of such a request and shall ensure that a response is provided within the time frames  
 13 specified by the Auditor of Public Accounts. After such review, if the Auditor of Public Accounts is of the opinion that state  
 14 assistance, oversight, or targeted intervention is needed, either to further assess, help stabilize, or remediate the situation, the  
 15 Auditor shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations  
 16 Committees, and the governing body of the local government in writing outlining specific issues or actions that need to be  
 17 addressed by state intervention.

18 4. The notification issued by the Auditor of Public Accounts pursuant to paragraph 3 above shall satisfy the notification  
 19 requirement necessary to effectuate the provisions of this act in paragraph b.3 below.

20 b.1. The Director of the Department of Planning and Budget shall identify any amounts remaining unexpended from general  
 21 fund appropriations in this Act as of June 30 of each year, which constitute state aid to local governments. The Director shall  
 22 provide a listing of such amounts designated by item number and by program on or before August 15 of each year, to the  
 23 Governor and the Chairmen of the House Appropriations Committee and the Senate Finance and Appropriations Committee.

24 2. From such unexpended balances identified by the Director of the Department of Planning and Budget, the Governor may  
 25 reappropriate up to \$750,000 from amounts which would otherwise revert to the balance of the general fund and transfer such  
 26 amounts as necessary to establish a component of fund balance which may be used for the purpose of providing technical  
 27 assistance and intervention actions for local governments deemed to be fiscally distressed and in need of intervention to address  
 28 such distress. Any such reappropriation approved by the Governor, shall be separately identified in the commitments specified  
 29 on the balance sheet and financial statements of the State Comptroller for the close of each fiscal year, to the extent that such  
 30 reserve is not used or added to by future appropriation actions.

31 3. Prior to any expenditure of the reappropriated reserve, the Governor and the Chairmen of the House Appropriations  
 32 Committee and the Senate Finance and Appropriations Committee must receive a notification from the Auditor of Public  
 33 Accounts that a specific locality is in need of intervention because of a worsening financial situation. The Auditor of Public  
 34 Accounts may issue such a notification upon receipt of audited financial statement or other information that indicates the  
 35 existence of fiscal distress. But, no such notification shall be made until appropriate follow up and correspondence ascertains  
 36 that, in the opinion of the Auditor of Public Accounts, such fiscal distress indeed exists. Such notification may also be issued by  
 37 the Auditor of Public Accounts if written concerns raised about fiscal distress are not adequately addressed by the locality in  
 38 question.

39 4. Once the Governor has received a notification from the Auditor of Public Accounts indicating fiscal distress in a specific  
 40 local government, the Governor shall consult with the Chairmen of the House Appropriations Committee and the Senate  
 41 Finance and Appropriations Committee about a plan for state intervention prior to any expenditure of funds from the cash  
 42 reserve. Any plan approved by the Governor for intervention should, at a minimum, specify the purpose of such intervention,  
 43 the estimated duration of the intervention, and the anticipated resources (dollars and personnel) directed toward such effort. The  
 44 staffing necessary to carry out the intervention plan may be assembled from either public agencies or private entities or both  
 45 and, notwithstanding any other provisions of law, the Governor may use an expedited method of procurement to secure such  
 46 staffing when, in his judgment, the need for intervention is of an emergency nature such that action must be taken in a timely  
 47 manner to avoid or address unacceptable financial risks to the Commonwealth.

48 5. The governing body and the elected constitutional officers of a locality subject to an intervention plan approved by the  
 49 Governor shall assist all state appointed staff conducting the intervention regardless of whether such staff are from public  
 50 agencies or private entities. Intervention staff shall provide periodic reports in writing to the Governor and the Chairmen of the  
 51 House Appropriations Committee and the Senate Finance and Appropriations Committee outlining the scope of issues  
 52 discovered and any recommendations made to remediate such issues, and the progress that is made on such recommendations  
 53 or other remediation efforts. These periodic reports shall specifically address the degree of cooperation the intervention team is  
 54 receiving from locally elected officials, including constitutional officers, city, county, or town managers and other local  
 55 personnel in regards to their intervention work.

56 6. The Department of General Services is hereby encouraged to develop a master contract of qualified private sector turnaround  
 57 specialists with expertise in local government intervention that the Governor can use to procure intervention services in an

expeditious manner when he determines that state intervention is warranted in situations of local fiscal distress.

c. No locality that has been previously authorized as an eligible host city pursuant to § 58.1-4107, Code of Virginia, to conduct casino gaming which held a local referendum on November 2, 2021, that failed, shall be eligible to hold a subsequent local referendum until November 2023.

## **§ 4-9.00 HIGHER EDUCATION RESTRUCTURING**

### **§ 4-9.01 ASSESSMENT OF INSTITUTIONAL PERFORMANCE**

Consistent with § 23.1-206, Code of Virginia, the following education-related and financial and administrative management measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional performance. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no later than October 1 of each even-numbered year. Institutional performance on measures set forth in paragraph D of this section shall be evaluated year-to-date by the Secretaries of Finance and Administration as appropriate, and communicated to the State Council of Higher Education before October 1 of each even-numbered year. Financial benefits provided to each institution in accordance with § 23.1-1002 will be evaluated in light of that institution's performance.

In general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, but it is understood that there can be circumstances beyond an institution's control that may prevent achieving one or more performance measures. The Council shall consider, in consultation with each institution, such factors in its review: (1) institutions meeting all performance measures will be certified by the Council and recommended to receive the financial benefits, (2) institutions that do not meet all performance measures will be evaluated by the Council and the Council may take one or more of the following actions: (a) request the institution provide a remediation plan and recommend that the Governor withhold release of financial benefits until Council review of the remediation plan or (b) recommend that the Governor withhold all or part of financial benefits.

Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related measures. The State Council shall likewise have the authority to exempt institutions from certification on education-related measures that the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of performance.

The State Council may develop, adopt, and publish standards for granting exemptions and ongoing modifications to the certification process.

#### **a. BIENNIAL ASSESSMENTS**

1. Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.

2. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.

3. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H (Science, Technology, Engineering, Mathematics, and Health professions) associate and bachelor degree awards.

4. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent students.

5. Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented populations.

6. Maintain or increase the number of in-state two-year transfers to four-year institutions.

#### **b. Elementary and Secondary Education**

1. The Virginia Department of Education shall share data on teachers, including identifying information, with the State Council of Higher Education for Virginia in order to evaluate the efficacy of approved programs of teacher education, the production and retention of teachers, and the exiting of teachers from the teaching profession.

2. a) The Virginia Department of Education and the State Council of Higher Education for Virginia shall share personally identifiable information from education records in order to evaluate and study student preparation for and enrollment and performance at state institutions of higher education in order to improve educational policy and instruction in the Commonwealth. However, such study shall be conducted in such a manner as to not permit the personal identification of students by persons other than representatives of the Department of Education or the State Council for Higher Education for Virginia, and such shared information shall be destroyed when no longer needed for purposes of the study.

b) Notwithstanding § 2.2-3800 of the Code of Virginia, the Virginia Department of Education, State Council of Higher Education for Virginia, Virginia Community College System, and the Virginia Employment Commission may collect, use, share, and maintain

de-identified student data to improve student and program performance including those for career readiness.

3. Institutions of higher education shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the purpose of studying student preparation as it relates to the content and rigor of the Standards of Learning. Furthermore, the superintendent of each school division shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the same purpose. All information provided to the Superintendent or his designee for this purpose shall be used solely for the purpose of evaluating the Standards of Learning and shall not be redisclosed, except as provided under federal law. All information shall be destroyed when no longer needed for the purposes of studying the content and rigor of the Standards of Learning.

#### c. SIX-YEAR PLAN

Institution prepares six-year financial plan consistent with § 23.1-907.

#### d. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly.

1. As specified in § 2.2-5004, Code of Virginia, institution takes all appropriate actions to meet the following financial and administrative standards:

a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;

b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

c) Substantial compliance with all financial reporting standards approved by the State Comptroller;

d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and

e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

2. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be prudently issued within a specified period.

3. The institution will achieve the classified staff turnover rate goal established by the institution; however, a variance of 15 percent from the established goal will be acceptable.

4. The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable.

The institution will make no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet procurement system (eVA) from vendor locations registered in eVA.

5. The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun.

6. The institution will complete major information technology projects (with an individual cost of over \$1,000,000) within the budgets and schedules originally approved by the institution's governing board. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Administration shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay.

#### e. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly. They shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act. However, the Governor may supplement or replace those administrative

performance measures with the administrative performance measures listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures shall be used for the assessment of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and those governed under Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly.

#### 1. Financial

- a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
- b) No significant audit deficiencies attested to by the Auditor of Public Accounts;
- c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
- d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and
- e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

#### 2. Debt Management

- a) The institution shall maintain a bond rating of AA- or better;
- b) The institution achieves a three-year average rate of return at least equal to the money.net money market index fund; and
- c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt management policy.

#### 3. Human Resources

- a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for state classified employees within a variance of 15 percent; and
- b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.

#### 4. Procurement

- a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and
- b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

#### 5. Capital Outlay

- a) The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;
- b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and
- c) The institution shall pay competitive rates for leased office space – the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable proximity to the institution's campus.

#### 6. Information Technology

- a) The institution will complete major information technology projects (with an individual cost of over \$1,000,000) on time and on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and

b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The institution will have no significant audit deficiencies unresolved beyond one year.

#### f. REPORTING

The Director, Department of Planning and Budget, with cooperation from the Comptroller and institutions of higher education governed under Management Agreements, shall develop uniform reporting requirements and formats for revenue and expenditure data.

#### g. EXEMPTION

The requirements of this section shall not be in effect if they conflict with § 23.1-206.D. of Chapters 828 and 869 of the Acts of Assembly of 2011.

### § 4-9.02 LEVEL II AUTHORITY

a. Notwithstanding the provisions of § 5 of Chapter 824 and 829 of the 2008 Acts of Assembly, institutions of higher education that have met the eligibility criteria for additional operational and administrative authority set forth in Chapters 824 and 829 of the 2008 Acts of Assembly shall be allowed to enter into separate negotiations for additional operational authority for a third and separate functional area listed in Chapter 824 and 829 of the 2008 Acts of Assembly, provided they have:

1. successfully completed at least three years of effectiveness and efficiencies operating under such additional authority granted by an original memorandum of understanding;

2. successfully renewed an additional memoranda of understanding for a five year term for each of the original two areas.

The institutions shall meet all criteria and follow policies for negotiating and establishing a memorandum of understanding with the Commonwealth of Virginia as provided in § 2.0 (Information Technology), § 3.0 (Procurement), and § 4.0 (Capital Outlay) of Chapter 824 and 829 of the 2008 Acts of Assembly.

b. As part of the memorandum of understanding, each institution shall be required to adopt at least one new education-related measure for the new area of operational authority. Each education-related measure and its respective target shall be developed in consultation with the Secretary of Finance, Secretary of Education, the appropriate Cabinet Secretary, and the State Council of Higher Education for Virginia. Each education-related measure and its respective target must be approved by the State Council of Higher Education for Virginia. The development and administration of education-related measures described in paragraph b. and in § 23.1-1003 A.3. are suspended through 2022-2024.

c. Subject to review of its Shared Services Center by the Department of General Services, and approval to proceed with decentralized procurement of authority by the Department of General Services, the Virginia Community College System (VCCS) is authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of information technology, procurement and capital projects as set forth and subject to all the conditions in §§ 2.0, 3.0 and 4.0 of the second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that (i) any effective dates contained in Chapter 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item. The State Board for Community Colleges may request any subsequent delegation of procurement authority after consultation with and positive recommendation by the Department of General Services.

d. Notwithstanding the small purchase thresholds set forth in the Rules Governing Procurement for institutions of higher education that have operational authority in the area of procurement, the small purchases thresholds shall be the same thresholds set forth in the Virginia Public Procurement Act (§ 2.2- 4300 et seq). Where small purchase thresholds in the Rules Governing Procurement for such institutions exceed those in 2.2-4300 et seq, the Rules Governing Procurement shall be the authorized procurement threshold.

e. Consistent with the 2019 updates to the Virginia Public Procurement Act, institutions of higher education that have operational authority in the area of procurement are permitted to conform their Request for Proposal advertising rules to that of § 2.2-4302.2.A.2.

### § 4-9.03 LEVEL III AUTHORITY

a. The Management Agreements negotiated by the institutions contained in Chapters 675 and 685 of the 2009 Acts of Assembly shall continue in effect unless the Governor, the General Assembly, or the institutions determine that the Management Agreements need to be renegotiated or revised.

b. Notwithstanding the small purchase thresholds set forth in the Rules Governing Procurement the small purchases thresholds for Level III institutions shall be the small purchase thresholds set forth in the Virginia Public Procurement Act (§ 2.2-4300 et seq). Where small purchase thresholds under Rules Governing Procurement for Level III institutions exceed those in 2.2-4300 et seq, the Rules Governing Procurement shall be the authorized procurement threshold.

c. Consistent with the 2019 updates to the Virginia Public Procurement Act, institutions of higher education that have Management Agreements are permitted to conform their Request for Proposal advertising rules to that of § 2.2-4302.2.A.2

#### § 4-9.04 IMPLEMENT JLARC RECOMMENDATIONS

a. The Boards of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall:

1. require their institutions to clearly list the amount of the athletic fee on their website's tuition and fees information page. The page should include a link to the State Council of Higher Education for Virginia's tuition and fee information. The boards should consider requiring institutions to list the major components of all mandatory fees, including the portion attributable to athletics, on a separate page attached to student invoices;

2. assess the feasibility and impact of raising additional revenue through campus recreation and fitness enterprises to reduce reliance on mandatory student fees. The assessments should address the feasibility and impact of raising additional revenue through charging for specialized programs and services, expanding membership, and/or charging all users of recreation facilities;

3. direct staff to perform a comprehensive review of the institution's organizational structure, including an analysis of spans of control and a review of staff activities and workload, and identify opportunities to streamline the organizational structure. Boards should further direct staff to implement the recommendations of the review to streamline their organizational structures where possible;

4. require periodic reports on average and median spans of control and the number of supervisors with six or fewer direct reports;

5. direct staff to revise human resource policies to eliminate unnecessary supervisory positions by developing standards that establish and promote broader spans of control. The new policies and standards should (i) set an overall target span of control for the institution, (ii) set a minimum number of direct reports per supervisor, with guidelines for exceptions, (iii) define the circumstances that necessitate the use of a supervisory position, (iv) prohibit the establishment of supervisory positions for the purpose of recruiting or retaining employees, and (v) establish a periodic review of departments where spans of control are unusually narrow; and,

6. direct institution staff to set and enforce policies to maximize standardization of purchases of commonly procured goods, including use of institution-wide contracts;

7. consider directing institution staff to provide an annual report on all institutional purchases, including small purchases, that are exceptions to the institutional policies for standardizing purchases;

8. participate in national faculty teaching load assessments by discipline and faculty type.

b. The State Council on Higher Education for Virginia, to the extent practicable, shall:

1. convene a working group of institution financial officers, with input from the Department of Accounts, the Department of Planning and Budget, and the Auditor of Public Accounts, to create a standard way of calculating and publishing mandatory non-E&G fees, including for intercollegiate athletics;

2. update the state's Chart of Accounts for higher education in order to improve comparability and transparency of mandatory non-E&G fees, with input from the Department of Accounts, the Department of Planning and Budget, the Auditor of Public Accounts, and institutional staff. This process should be coordinated with the standardization of tuition and fee reporting;

3. convene a working group of institutional staff to develop instructional and research space guidelines that adequately measure current use of space and plans for future use of space at Virginia's public higher education institutions;

4. coordinate a committee of institutional representatives, such as the previously authorized Learning Technology Advisory Committee. In addition to the objectives set out in the Appropriation Act for the Learning Technology Advisory Committee, the committee should identify instructional technology initiatives and best practices for directly or indirectly lowering institutions' instructional expenditures per student while maintaining or enhancing student learning;

5. include factors such as discipline, faculty rank, cost of living, and regional comparisons in developing faculty salary goals;

6. identify instructional technology best practices that directly or indirectly lower student cost while maintaining or enhancing learning.

c. Notwithstanding the provisions of § 23.1-1304, the State Council of Higher Education for Virginia shall annually train boards of visitors members on the types of information members should request from institutions to inform decision making, such as performance measures, benchmarking data, the impact of financial decisions on student costs, and past and projected cost trends. Boards of Visitors members serving on finance and facilities subcommittees should, at a minimum, participate in the training within their first year of membership on the subcommittee. SCHEV should obtain assistance in developing or delivering the training from relevant agencies such as the Department of General Services and past or present finance officers at Virginia's public four-year institutions, as appropriate.



d. The Department of Planning and Budget shall revise the formula used to make allocation recommendations for the state's maintenance reserve funding to account for higher maintenance needs resulting from poor facility condition, aging of facilities, and differences in facility use.

e. The Six-Year Capital Outlay Plan Advisory Committee, the Department of Planning and Budget, and others as appropriate shall use the results of the prioritization process established by the State Council of Higher Education for Virginia in determining which capital projects should receive funding.

f. Beginning with fiscal year 2016, the Auditor of Public Accounts shall include in its audit plan for each public institution of higher education a review of progress in implementing the JLARC recommendations contained in paragraph § 4-9.04 a.

#### **§ 4-11.00 STATEMENT OF FINANCIAL CONDITION**

Each agency head handling any state funds shall, at least once each year, upon request of the Auditor of Public Accounts, make a detailed statement, under oath, of the financial condition of his office as of the date of such call, to the Auditor of Public Accounts, and upon such forms as shall be prescribed by the Auditor of Public Accounts.

#### **§ 4-12.00 SEVERABILITY**

If any part, section, subsection, paragraph, sentence, clause, phrase, or item of this act or the application thereof to any person or circumstance is for any reason declared unconstitutional, such decisions shall not affect the validity of the remaining portions of this act which shall remain in force as if such act had been passed with the unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, item or such application thereof eliminated; and the General Assembly hereby declares that it would have passed this act if such unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, or item had not been included herein, or if such application had not been made.

#### **§ 4-13.00 CONFLICT WITH OTHER LAWS**

Notwithstanding any other provision of law, and until June 30, 2024, the provisions of this act shall prevail over any conflicting provision of any other law, without regard to whether such other law is enacted before or after this act; however, a conflicting provision of another law enacted after this act shall prevail over a conflicting provision of this act if the General Assembly has clearly evidenced its intent that the conflicting provision of such other law shall prevail, which intent shall be evident only if such other law (i) identifies the specific provision(s) of this act over which the conflicting provision of such other law is intended to prevail and (ii) specifically states that the terms of this section are not applicable with respect to the conflict between the provision(s) of this act and the provision of such other law.

#### **§ 4-14.00 EFFECTIVE DATE**

This act is effective on its passage as provided in § 1-214, Code of Virginia.

#### **ADDITIONAL ENACTMENTS**

**2. That § 58.1-301 of the Code of Virginia is amended and reenacted as follows:**

##### **58.1-301. Conformity to Internal Revenue Code.**

A. Any term used in this chapter shall have the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required.

B. Any reference in this chapter to the laws of the United States relating to federal income taxes shall mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, as they existed on ~~December 31, 2020~~, *December 31, 2021*, except for:

1. The special depreciation allowance for certain property provided for under §§ 168(k), 168(l), 168(m), 1400L, and 1400N of the Internal Revenue Code;

2. The carry-back of certain net operating losses for five years under § 172(b)(1)(H) of the Internal Revenue Code;

3. The original issue discount on applicable high yield discount obligations under § 163(e)(5)(F) of the Internal Revenue Code;

4. The deferral of certain income under § 108(i) of the Internal Revenue Code. For Virginia income tax purposes, income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument" (as defined under § 108(i) of the Internal Revenue Code) reacquired in the taxable year shall be fully included in the taxpayer's Virginia taxable income for the taxable year, unless the taxpayer elects to include such income in the taxpayer's Virginia taxable income ratably over a three-taxable-year period beginning with taxable year 2009 for transactions completed in taxable year 2009, or over a three-taxable-year period beginning with taxable year 2010 for transactions completed in taxable year 2010 on or before April 21, 2010. For purposes of such election, all other provisions of § 108(i) of the Internal Revenue Code shall apply mutatis mutandis. No other deferral shall be allowed for income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt

1 instrument";

2 5. For taxable years beginning on and after January 1, 2019, the suspension of the overall limitation on itemized deductions under §  
3 68(f) of the Internal Revenue Code;

4 6. For taxable years beginning on and after January 1, 2017, but before January 1, 2018, and for taxable years beginning on and after  
5 January 1, 2019, the 7.5 percent of federal adjusted gross income threshold set forth in § 213(a) of the Internal Revenue Code that is  
6 used for purposes of computing the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code.  
7 For such taxable years, the threshold utilized for Virginia income tax purposes to compute the deduction allowed for expenses for  
8 medical care pursuant to § 213 of the Internal Revenue Code shall be 10 percent of federal adjusted gross income;

9 7. The provisions of §§ 2303(a) and 2303(b) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020),  
10 related to the net operating loss limitation and carryback;

11 8. The provisions of § 2304(a) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to a  
12 loss limitation applicable to taxpayers other than corporations;

13 9. The provisions of § 2306 of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the  
14 limitation on business interest; and

15 10. For taxable years beginning before January 1, 2021, ~~the~~ the provisions of §§ 276(a), 276(b)(2), 276(b)(3), 278(a)(2), 278(a)(3),  
16 278(b)(2), 278(b)(3), 278(c)(2), 278(c)(3), 278(d)(2), and 278(d)(3) of the federal Consolidated Appropriations Act, P.L. 116-260  
17 (2020), and §§ 9673(2), 9673(3), 9672(2), and 9672(3) of the federal American Rescue Plan Act, P.L. 117-2 (2021) related to  
18 deductions, tax attributes, and basis increases for certain loan forgiveness and other business financial assistance.

19 The Department of Taxation is hereby authorized to develop procedures or guidelines for implementation of the provisions of this  
20 section, which procedures or guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

21 **3. That § 58.1-339.8 of the Code of Virginia is amended and reenacted as follows:**

22 **58.1-339.8. Income tax credit for low-income taxpayers.**

23 A. As used in this section, unless the context requires otherwise:

24 "Family Virginia adjusted gross income" means the combined Virginia adjusted gross income of an individual, the individual's spouse,  
25 and any person claimed as a dependent on the individual's or his spouse's income tax return for the taxable year.

26 "*Household*" means an individual, or in the case of married persons, an individual and his spouse, regardless of whether or not the  
27 individual and his spouse file combined or separate Virginia individual income tax returns.

28 "Poverty guidelines" means the poverty guidelines for the 48 contiguous states and the District of Columbia updated annually in the  
29 Federal Register by the U.S. Department of Health and Human Services under the authority of § 673(2) of the Omnibus Budget  
30 Reconciliation Act of 1981.

31 "Virginia adjusted gross income" has the same meaning as the term is defined in § 58.1-321.

32 B.1. For taxable years beginning on and after January 1, 2000, any individual or persons filing a joint return whose family Virginia  
33 adjusted gross income does not exceed 100 percent of the poverty guideline amount corresponding to a household of an equal number  
34 of persons as listed in the poverty guidelines published during such taxable year, shall be allowed a *nonrefundable* credit against the tax  
35 levied pursuant to § 58.1-320 in an amount equal to \$300 each for the individual, the individual's spouse, and any person claimed as a  
36 dependent on the individual's or married individuals' income tax return for the taxable year. For any taxable year in which married  
37 individuals file separate Virginia income tax returns, the credit provided under this section shall be allowed against the tax for only one  
38 of such two tax returns. Additionally, the credit provided under this section shall not be allowed against such tax of a dependent of the  
39 individual or of married individuals.

40 2. For taxable years beginning on and after January 1, 2006, any individual or married individuals, eligible for a tax credit pursuant to §  
41 32 of the Internal Revenue Code, may for the taxable year, in lieu of the credit authorized under subdivision B 1, claim a *nonrefundable*  
42 credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 20 percent of the credit claimed by the individual or  
43 married individuals for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year. In no case  
44 shall a household be allowed a credit pursuant to this subdivision and subdivision B 1 or 3 for the same taxable year.

45 3. For taxable years beginning on and after January 1, 2022, but before January 1, 2026, any individual or married persons, eligible  
46 for a tax credit pursuant to § 32 of the Internal Revenue Code, may for the taxable year, in lieu of the credit authorized under  
47 subdivision 1 or 2, claim a refundable credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 15 percent of the  
48 credit claimed by the individual or married persons for federal individual income taxes pursuant to § 32 of the Internal Revenue Code  
49 for the taxable year. The refundable credit shall be claimed on the Virginia income tax return and redeemed by the Tax Commissioner.  
50 In no case shall a household be allowed a credit pursuant to this subdivision and subdivision 1 or 2 for the same taxable year.



For the purpose of this subdivision, "household" means an individual and, in the case of married individuals, the individual and his spouse regardless of whether or not the individual and his spouse file combined or separate Virginia individual income tax returns.

C. The amount of the credit ~~provided~~ claimed pursuant to ~~subsection~~ subdivision B 1 and B 2, or in the case of a nonresident or a person to which § 58.1-303 applies, subdivision B 3, for any taxable year shall not exceed the individual's or married individuals' Virginia income tax liability.

D. Notwithstanding any other provision of this section, no credit shall be allowed pursuant to subsection B in any taxable year in which the individual, the individual's spouse, or both, or any person claimed as a dependent on such individual's or married individuals' income tax return, claims one or any combination of the following on his or their income tax return for such taxable year:

1. The subtraction under subdivision 8 of § 58.1-322.02;

2. The subtraction under subdivision 15 of § 58.1-322.02;

3. The subtraction under subdivision 16 of § 58.1-322.02;

4. The deduction for the additional personal exemption for blind or aged taxpayers under subdivision 2 b of § 58.1-322.03; or

5. The deduction under subdivision 5 of § 58.1-322.03.

**4. That the provisions of the third enactment clause of this Act shall apply for taxable years beginning on and after January 1, 2022.**

**5. That § 58.1-611.1 of the Code of Virginia is amended and reenacted as follows:**

**§ 58.1-611.1. Exemption for food purchased for human consumption and essential personal hygiene products.**

A. ~~The~~ Before January 1, 2023, the tax imposed by §§ 58.1-603 and 58.1-604 on food purchased for human consumption and essential personal hygiene products shall be one and one-half percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638 and (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C, and D of § 58.1-638.

B. ~~The provisions of this section shall not affect the imposition of tax on food purchased for human consumption and essential personal hygiene products pursuant to §§ 58.1-605 and 58.1-606.~~

~~C. On and after January 1, 2023, and except for taxes imposed pursuant to §§ 58.1-605 and 58.1-606, no tax shall be imposed under this chapter, or pursuant to any authority granted under this chapter, on food purchased for human consumption or essential personal hygiene products.~~

C. Beginning February 1, 2023, an amount equal to the revenue that would have been distributed pursuant to clause (ii) of subsection A shall be distributed as provided in subsections B, C, and D of § 58.1-638 based on the estimates of the population of cities and counties ages five to 19.

D. 1. As used in this section, "food purchased for human consumption" has the same meaning as "food" defined in the Food Stamp Act of 1977, 7 U.S.C. § 1012, as amended, and federal regulations adopted pursuant to that Act, except it shall not include seeds and plants which produce food for human consumption. For the purpose of this section, "food purchased for human consumption" shall not include food sold by any retail establishment where the gross receipts derived from the sale of food prepared by such retail establishment for immediate consumption on or off the premises of the retail establishment constitutes more than 80 percent of the total gross receipts of that retail establishment, including but not limited to motor fuel purchases, regardless of whether such prepared food is consumed on the premises of that retail establishment. For purposes of this section, "retail establishment" means each place of business for which any "dealer," as defined in § 58.1-612, is required to apply for and receive a certificate of registration pursuant to § 58.1-613.

2. As used in this section, "essential personal hygiene products" means (i) nondurable incontinence products such as diapers, disposable undergarments, pads, and bed sheets and (ii) menstrual cups and pads, pantyliners, sanitary napkins, tampons, and other products used to absorb or contain menstrual flow. "Essential personal hygiene products" does not include any item that is otherwise exempt pursuant to this chapter.

**6. That § 58.1-322.03 of the Code of Virginia is amended and reenacted as follows:**

**58.1-322.03. Virginia taxable income; deductions.**

In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia adjusted gross income as defined in § 58.1-321:

- 1 1. a. The amount allowable for itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year  
2 to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other  
3 taxing jurisdiction and deducted on such federal return and increased by an amount that, when added to the amount deducted under §  
4 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes at a rate of 18 cents per  
5 mile; or
- 6 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income tax return: (i) for taxable years  
7 beginning before January 1, 2019, and on and after January 1, 2026, \$3,000 for single individuals and \$6,000 for married persons (one-  
8 half of such amounts in the case of a married individual filing a separate return) ~~and~~; (ii) for taxable years beginning on and after  
9 January 1, 2019, but before January 1, ~~2026~~ 2022, \$4,500 for single individuals and \$9,000 for married persons (one-half of such  
10 amounts in the case of a married individual filing a separate return); *and (iii) for taxable years beginning on and after January 1, 2022,*  
11 *but before January 1, 2026, \$8,000 for single individuals and \$16,000 for married persons (one-half of such amounts in the case of a*  
12 *married individual filing a separate return).* For purposes of this section, any person who may be claimed as a dependent on another  
13 taxpayer's return for the taxable year may compute the deduction only with respect to earned income.
- 14 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for federal income tax purposes.
- 15 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be entitled to an additional personal  
16 exemption in the amount of \$800.
- 17 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be allowable regardless of whether the  
18 taxpayer itemizes deductions for the taxable year for federal income tax purposes.
- 19 3. A deduction equal to the amount of employment-related expenses upon which the federal credit is based under § 21 of the Internal  
20 Revenue Code for expenses for household and dependent care services necessary for gainful employment.
- 21 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under permanent foster care placement  
22 as defined in § [63.2-908](#), provided that the taxpayer can also claim the child as a personal exemption under § 151 of the Internal  
23 Revenue Code.
- 24 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.
- 25 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have attained the age of 65. This deduction  
26 shall be reduced by \$1 for every \$1 that the taxpayer's adjusted federal adjusted gross income exceeds \$50,000 for single taxpayers or  
27 \$75,000 for married taxpayers. For married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total  
28 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.
- 29 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted gross income minus any benefits  
30 received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the  
31 Internal Revenue Code, as amended.
- 32 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow donor, if (i) the individual is not  
33 reimbursed for such fee or (ii) the individual has not claimed a deduction for the payment of such fee on his federal income tax return.
- 34 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed during the taxable year for a  
35 prepaid tuition contract or college savings trust account entered into with the Virginia College Savings Plan, pursuant to Chapter 7 (§  
36 [23.1-700](#) et seq.) of Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in any  
37 taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust account. No deduction shall be allowed  
38 pursuant to this subdivision 7 if such payments or contributions are deducted on the purchaser's or contributor's federal income tax  
39 return. If the purchase price or annual contribution to a college savings trust account exceeds \$4,000, the remainder may be carried  
40 forward and subtracted in future taxable years until the purchase price or college savings trust contribution has been fully deducted;  
41 however, except as provided in subdivision b, in no event shall the amount deducted in any taxable year exceed \$4,000 per contract or  
42 college savings trust account. Notwithstanding the statute of limitations on assessments contained in § [58.1-312](#), any deduction taken  
43 hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are made for any reason other than  
44 (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the beneficiary's death,  
45 disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser" or "contributor" means the person shown as  
46 such on the records of the Virginia College Savings Plan as of December 31 of the taxable year. In the case of a transfer of ownership  
47 of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's tax attributes associated  
48 with a prepaid tuition contract or college savings trust account, including, but not limited to, carryover and recapture of deductions.
- 49 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has attained age 70 shall not be subject  
50 to the limitation that the amount of the deduction not exceed \$4,000 per prepaid tuition contract or college savings trust account in any  
51 taxable year. Such taxpayer shall be allowed a deduction for the full amount paid for the contract or contributed to a college savings  
52 trust account, less any amounts previously deducted.
- 53 8. The total amount an individual actually contributed in funds to the Virginia Public School Construction Grants Program and Fund,

established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1, provided that the individual has not claimed a deduction for such amount on his federal income tax return.

9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 to attend continuing teacher education courses that are required as a condition of employment; however, the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition costs on his federal income tax return.

10. The amount an individual pays annually in premiums for long-term health care insurance, provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the individual during the taxable year shall be allowed if the individual has claimed a federal income tax deduction for such taxable year for long-term health care insurance premiums paid by him.

11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

a. If the payment is received in installment payments, then the recognized gain may be subtracted in the taxable year immediately following the year in which the installment payment is received.

b. If the payment is received in a single payment, then 10 percent of the recognized gain may be subtracted in the taxable year immediately following the year in which the single payment is received. The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the following items of tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12 months of such donation, provided that the donor has not taken a medical deduction in accordance with the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or older with earned income of at least \$20,000 for the year and federal adjusted gross income not in excess of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to this chapter.

15. For taxable years beginning on and after January 1, 2018, 20 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the Internal Revenue Code.

17. For taxable years beginning on and after January 1, 2020, but before January 1, 2021, up to \$100,000 of the amount that is not deductible when computing federal adjusted gross income solely on account of the portion of subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans."

7. That the provisions of the sixth enactment of this Act shall take effect for the 2022 tax year contingent on the Tax Department certifying annual revenue growth, adjusted for the impact tax policy changes, of at least five percent for the six month period of July 2022 through December 2022. If the five percent growth rate is not met for such six month period, the standard deduction for taxable year 2022 shall be \$7,500 for single individuals and \$15,000 for married persons.

8. That the provisions of the sixth enactment of this Act shall take effect for the 2023 tax year contingent on the Tax Department certifying annual revenue growth, adjusted for the impact tax policy changes, of at least five percent for the twelve month period of July 2022 through June 2023. If the five percent growth rate is not met for such twelve month period, the standard deduction for taxable year 2023 shall be \$7,500 for single individuals and \$15,000 for married persons.

9. That § 58.1-439.30 of the Code of Virginia is amended and reenacted as follows:

**§ 58.1-439.30. Virginia housing opportunity tax credit.**

A. ~~A~~ Subject to the provisions of subsection H, a housing opportunity tax credit shall be allowed for each qualified project for each year of the credit period, in an amount ~~equal~~ up to the amount of federal low-income housing tax credit allocated or allowed by the Authority to such qualified project; ~~except that there shall be no reduction in the tax credit allowable in the first year of the credit period due to the calculation in 26 U.S.C. § 42(f)(2). The credit shall be allowed ratably for each qualified project, with one-tenth of the credit amount allowed annually for 10 years over the credit period, except that there shall be a reduction in the tax credit allowable in the first year of the credit period due to the calculation in 26 U.S.C. § 42(f)(2) and any reduction by reason of 26 U.S.C. § 42(f)(2) in the credit allowable for the first taxable year of the credit period shall be allowable for the first taxable year following the credit period.~~

B. 1. For taxable years beginning on and after January 1, 2021, but before January 1, 2026, a qualified taxpayer may claim a housing opportunity tax credit against its Virginia tax liability prior to reduction by any other credits allowed the taxpayer. The housing opportunity tax credit may be allocated by pass-through entities to some or all of its partners, members, or shareholders in any manner agreed to by such persons, regardless of whether or not any such person is allocated or allowed any portion of any federal low-income housing tax credit with respect to the qualified project, whether or not the allocation of the housing opportunity tax credit under the terms of the agreement has substantial economic effect within the meaning of § 704(b) of the Internal Revenue Code, and whether or not any such person is deemed a partner for federal income tax purposes as long as the partner or member would be considered a partner or member as defined under applicable state law, and has been admitted as a partner or member on or prior to the date for filing the qualified taxpayer's tax return, including any amendments thereto, with respect to the year of the housing opportunity tax credit. Such pass-through entities or qualified taxpayer may assign all or any part of its interest, including its interest in the tax credits, to one or more pass-through entities or qualified taxpayers, and the qualified taxpayer shall be able to claim the housing opportunity tax credit so long as its interest is acquired prior to the filing of its tax return claiming the housing opportunity tax credit.

2. If a housing opportunity tax credit has been awarded according to the terms of subsection G prior to January 1, 2026, such credit may continue to be claimed on a return for taxable years on and after January 1, 2026, but only pursuant to the applicable credit period specified in § 58.1-439.29.

C. The housing opportunity tax credit authorized by this article shall not be refundable. Any housing opportunity tax credit not used in a taxable year may be carried forward by a qualified taxpayer for the succeeding five years.

D. A qualified taxpayer claiming a housing opportunity tax credit shall submit a copy of the eligibility certificate at the time of filing its tax return with the Department. If the owner of the qualified project has applied to the Authority for the eligibility certificate but the Authority has not yet issued the eligibility certificate at the time the qualified taxpayer files its original tax return claiming the housing opportunity tax credit, the taxpayer may claim the housing opportunity tax credit based upon the amount of tax credit set forth in the ~~carryover allocation or 42(m) letter; as applicable; award letter issued by the Authority for the housing opportunity tax credit~~ issued to the qualified project and shall amend its tax return to include the eligibility certificate upon its receipt. If the amount of tax credit in the eligibility certificate is different than the amount of tax credit previously claimed, the taxpayer shall adjust the tax credit amount claimed on the amended tax return.

E. If under § 42 of the Internal Revenue Code, as amended, a portion of any federal low-income housing credits taken on a qualified project is required to be recaptured or is otherwise disallowed during the credit period, the taxpayer claiming housing opportunity tax credits with respect to such project shall also be required to recapture a portion of any tax credits authorized by this article. The percentage of housing opportunity tax credits subject to recapture shall be equal to the percentage of federal low-income housing credits subject to recapture or otherwise disallowed during such period. Any tax credits recaptured or disallowed shall increase the income tax liability of the qualified taxpayer who claimed the tax credits in a like amount and shall be included on the tax return of the qualified taxpayer submitted for the taxable year in which the recapture or disallowance event is identified. *The balance of any tax credits recaptured or disallowed shall be allocated by the Authority for any qualified project in accordance with subsection G.*

F. The Authority shall administer the housing opportunity tax credit program and shall be authorized to promulgate the regulations and guidelines necessary to implement and administer ~~the provisions of this article~~. Such regulations and guidelines may include the imposition of application, allocation, certification, and monitoring fees designed to recoup the costs of the Authority in administering the housing opportunity tax credit program. ~~The Authority may also promulgate regulations and guidelines in consultation with the Department to allow a qualified project to elect in its application to the Authority to sell all or any portion of its credits awarded pursuant to this article to one or more unrelated taxpayers.~~ Regulations and guidelines regarding the sale of credits, if promulgated,

shall not take effect prior to January 1, 2023, and shall not apply to credits awarded prior to January 1, 2023.

G. 1. Any housing opportunity tax credit amounts authorized in a calendar year that are subsequently (i) canceled and returned to the Authority or (ii) recaptured or disallowed pursuant to subsection E may be awarded in the following calendar year, but no later than December 31, 2025. If the amount of housing opportunity tax credits authorized in a calendar year for qualified projects is less than the total amount of credits available for qualified projects under subdivision H 2, the balance of such credits, in an amount not greater than 15 percent of the amount of credits available for qualified projects under subdivision H 2, (a) shall be allocated by the Authority for any qualified project in the following calendar year, (b) shall not be allocated at any time after such following calendar year, and (c) shall be allocated no later than December 31, 2025.

2. Such housing opportunity tax credits issued pursuant to this subsection shall be allowed ratably, with one-tenth of the total amount of credits allowed annually for 10 years over the credit period, except that there shall be a reduction in the tax credit allowable in the first year of the credit period due to the calculation in 26 U.S.C. § 42(f)(2) and any reduction by reason of 26 U.S.C. § 42(f)(2) in the credit allowable for the first taxable year of the credit period shall be allowable for the first taxable year following the credit period.

H. 1. The total amount of housing opportunity tax credits authorized for qualified projects under this article shall not exceed \$15 million per for calendar year 2021.

2. For calendar years 2022 through 2025, the total amount of housing opportunity tax credits authorized for qualified projects under this article shall not exceed \$60 million per calendar year. Such credits issued each calendar year shall be allowed ratably, with one-tenth of the total amount of credits allowed annually for 10 years over the credit period, except that there shall be a reduction in the tax credit allowable in the first year of the credit period due to the calculation in 26 U.S.C. § 42(f)(2) and any reduction by reason of 26 U.S.C. § 42(f)(2) in the credit allowable for the first taxable year of the credit period shall be allowable for the first taxable year following the credit period.

3. Notwithstanding any other provision of law to the contrary, the aggregate amount of housing opportunity tax credits authorized for all qualified projects under this article shall not exceed \$255 million across all calendar years.

10. That, for the purposes of the ninth enactment of this act, notwithstanding any provision of law or regulation to the contrary, only Virginia housing opportunity tax credits awarded in calendar year 2021, up to a maximum of \$15 million total for all taxpayers in all taxable years, may be claimed pursuant to the provisions of § 58.1-439.30 of the Code of Virginia as set forth in Chapter 495 of the Acts of Assembly of 2021, Special Session I, prior to amendment by the ninth enactment of this act. Nothing in this enactment shall apply to § 58.1-439.30 of the Code of Virginia as amended by the sixth enactment of this act.

11. That, for the purposes of the ninth enactment of this act, the Virginia Housing Development Authority (the Authority) shall, upon request from the Chairs of the House Committee on Appropriations, the House Committee on Finance, and the Senate Committee on Finance and Appropriations, provide information, data, and any other requested advisement on the potential structure and cost of a separately authorized certificated Virginia housing opportunity tax credit program that would allow a qualified project to sell all or any portion of its Virginia housing opportunity tax credits, to one or more unrelated taxpayers based on findings in the report of the Department of Housing and Community Development and the Authority stakeholder advisory group submitted pursuant to Chapter 517 of the Acts of Assembly of 2020.

12. That, for the purposes of the ninth enactment of this act, of the \$60 million of Virginia housing opportunity tax credits authorized per calendar year from 2022 through 2025 for qualified projects by the Virginia Housing Development Authority (the Authority) pursuant to Article 13.4 (§ 58.1-439.29 et seq.) of Chapter 3 of Title 58.1 of the Code of Virginia, as amended by the ninth enactment of this act, \$20 million of such credits shall be first allocated exclusively for qualified projects located in a locality with a population no greater than 35,000 as determined by the most recent United States census. Such allocation of Virginia housing opportunity tax credits shall constitute the minimum amount of such tax credits to be allocated for qualified projects in such localities. However, if the amount of such tax credits requested for qualified projects in such localities is less than the total amount of such credits available for qualified projects in such localities, the balance of such credits shall be allocated for any qualified project, regardless of location. In allocating or allowing such credits to qualified projects in such localities, the Authority shall give equal consideration to qualified projects allocated or allowed a federal low-income housing credit in an amount equal to the 10-year present value calculation of the percentages prescribed under 26 U.S.C. §§ 42(b)(1)(B)(i) and 42(b)(1)(B)(ii).

13. That §§ 18.2-325 and 18.2-334.6 of the Code of Virginia are amended and reenacted as follows:

§ 18.2-325. Definitions.

1. "Illegal gambling" means the making, placing, or receipt of any bet or wager in the Commonwealth of money or other consideration or thing of value, made in exchange for a chance to win a prize, stake, or other consideration or thing of value, dependent upon the result of any game, contest, or any other event the outcome of which is uncertain or a matter of chance, whether such game, contest, or event occurs or is to occur inside or outside the limits of the Commonwealth.



1 For the purposes of this subdivision and notwithstanding any provision in this section to the contrary, the making, placing, or receipt of  
 2 any bet or wager of money or other consideration or thing of value shall include the purchase of a product, Internet access, or other  
 3 thing made in exchange for a chance to win a prize, stake, or other consideration or thing of value by means of the operation of a  
 4 gambling device as described in subdivision 3 b, regardless of whether the chance to win such prize, stake, or other consideration or  
 5 thing of value may be offered in the absence of a purchase.

6 "Illegal gambling" also means the playing or offering for play of any skill game.

7 2. "Interstate gambling" means the conduct of an enterprise for profit that engages in the purchase or sale within the Commonwealth of  
 8 any interest in a lottery of another state or country whether or not such interest is an actual lottery ticket, receipt, contingent promise to  
 9 pay, order to purchase, or other record of such interest.

10 3. "Gambling device" includes:

11 a. Any device, machine, paraphernalia, equipment, or other thing, including books, records, and other papers, which are actually used  
 12 in an illegal gambling operation or activity;

13 b. Any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or video versions thereof, including  
 14 but not limited to those dependent upon the insertion of a coin or other object for their operation, which operates, either completely  
 15 automatically or with the aid of some physical act by the player or operator, in such a manner that, depending upon elements of chance,  
 16 it may eject something of value or determine the prize or other thing of value to which the player is entitled; provided, however, that  
 17 the return to the user of nothing more than additional chances or the right to use such machine is not deemed something of value within  
 18 the meaning of this subsection; and provided further, that machines that only sell, or entitle the user to, items of merchandise of  
 19 equivalent value that may differ from each other in composition, size, shape, or color, shall not be deemed gambling devices within the  
 20 meaning of this subsection; and

21 c. Skill games.

22 Such devices are no less gambling devices if they indicate beforehand the definite result of one or more operations but not all the  
 23 operations. Nor are they any less a gambling device because, apart from their use or adaptability as such, they may also sell or deliver  
 24 something of value on a basis other than chance.

25 4. "Operator" includes any person, firm, or association of persons, who conducts, finances, manages, supervises, directs, or owns all or  
 26 part of an illegal gambling enterprise, activity, or operation.

27 5. "Skill" means the knowledge, dexterity, or any other ability or expertise of a natural person.

28 6. "Skill game" means an electronic, computerized, or mechanical contrivance, terminal, machine, or other device that requires the  
 29 insertion of a coin, currency, ticket, token, or similar object to operate, activate, or play a game, the outcome of which is determined by  
 30 any element of skill of the player and that may deliver or entitle the person playing or operating the device to receive cash or cash  
 31 equivalents, gift cards, vouchers, billets, tickets, tokens, or electronic credits to be exchanged for cash; ~~merchandise; or anything of~~  
 32 ~~value or cash equivalents~~ whether the payoff is made automatically from the device or manually. *"Skill game" includes (i) a device that*  
 33 *contains a meter or measurement device that records the number of free games or portions of games that are rewarded and (ii) a*  
 34 *device designed or adapted to enable a person using the device to increase the chances of winning free games or portions of games by*  
 35 *paying more than the amount that is ordinarily required to play the game. "Skill game" does not include any amusement device, as*  
 36 *defined in § 18.2-334.6.*

37 7. "Unregulated location" means any location that is not regulated or operated by the Virginia Lottery or Virginia Lottery Board, the  
 38 Department of Agriculture and Consumer Services or the Charitable Gaming Board, the Virginia Alcoholic Beverage Control  
 39 Authority, or the Virginia Racing Commission.

#### 40 **§ 18.2-334.6. Exemptions to article; amusement devices.**

41 A. As used in this section:

42 "Coin-operated amusement games" means games that do not deliver or entitle the person playing or operating the game to receive cash;  
 43 cash equivalents; gift cards; vouchers; billets; tickets; tokens; or electronic credits to be exchanged for cash; or merchandise or anything  
 44 of value.

45 "Family entertainment center" means an establishment that (i) is located in a building that is owned, leased, or occupied by the  
 46 establishment for the primary purpose of providing amusement and entertainment to the public; (ii) offers coin-operated amusement  
 47 games and skill games pursuant to the exemption created by this section; and (iii) markets its business to families with children.

48 "Amusement device" means a game that is activated by a coin, token, or other object of consideration or value and that does not  
 49 provide the opportunity to (i) enter into a sweepstakes, lottery, or other illegal gambling event or (ii) receive any form of consideration  
 50 or value, except for an appropriate reward.

*"Appropriate reward" means a noncash, merchandise prize (i) the value of which does not exceed the cost of playing the amusement device or the total aggregate cost of playing multiple amusement devices, (ii) that is not and does not include an alcoholic beverage, (iii) that is not eligible for repurchase, and (iv) that is not exchangeable for cash or cash equivalents.*

**B. Notwithstanding the provisions of § 18.2-325, a person operating a family entertainment center may make skill games amusement devices available for play if the prize won or distributed to a player is a noncash, merchandise prize or a voucher, billet, ticket, token, or electronic credit redeemable only for a noncash, merchandise prize (i) the value of which does not exceed the cost of playing the skill game or the total aggregate cost of playing multiple skill games; (ii) that is not and does not include an alcoholic beverage; (iii) that is not eligible for repurchase; and (iv) that is not exchangeable for cash, cash equivalents, or anything of value whatsoever an appropriate reward. An appropriate reward shall only be redeemable on the premises where the amusement device is located.**

**C. An amusement device shall not be designed or adapted to cause or enable a person to cause the release of free games or portions of games when designated as a potential reward for use of the device and shall not contain any meter or other measurement device to record the number of free games or portions of games that are rewarded.**

**D. An amusement device shall not be designed or adapted to enable a person using the device to increase the chances of winning free games or portions of games by paying more than is ordinarily required to play the game.**

**14. That §§ 3.2-5145.5, 4.1-1100, 4.1-1101, and 59.1-200 of the Code of Virginia are amended and reenacted as follows:**

**§ 3.2-5145.5. Regulations.**

**A. The Board is authorized to adopt regulations for the efficient enforcement of this article.**

**B. The Board shall adopt regulations identifying contaminants of an industrial hemp extract or a food containing an industrial hemp extract and establishing tolerances for such identified contaminants.**

**C. The Board shall adopt regulations establishing labeling requirements for an industrial hemp extract or a food containing an industrial hemp extract. Such regulations shall require that any industrial hemp extract or food containing an industrial hemp extract that contains tetrahydrocannabinol be equipped with a label that states (i) that the industrial hemp extract or food containing an industrial hemp extract contains tetrahydrocannabinol and may not be sold to persons younger than 21 years of age, (ii) all ingredients contained in the industrial hemp extract or food containing an industrial hemp extract, (iii) the amount of such industrial hemp extract or food containing an industrial hemp extract that constitutes a single serving, and (iv) the total percentage and milligrams of tetrahydrocannabinol included in the industrial hemp extract or food containing an industrial hemp extract and the number of milligrams of tetrahydrocannabinol that are contained in each serving.**

**D. The Board shall adopt regulations establishing batch testing requirements for industrial hemp extracts. The Board shall require that batch testing of industrial hemp extracts be conducted by an independent testing laboratory that meets criteria established by the Board.**

**E. With the exception of § 2.2-4031, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq.) nor public participation guidelines adopted pursuant thereto shall apply to the adoption of any regulation pursuant to this section. Prior to adopting any regulation pursuant to this section, the Board shall publish a notice of opportunity to comment in the Virginia Register of Regulations and post the action on the Virginia Regulatory Town Hall. Such notice of opportunity to comment shall contain (i) a summary of the proposed regulation; (ii) the text of the proposed regulation; and (iii) the name, address, and telephone number of the agency contact person responsible for receiving public comments. Such notice shall be made at least 60 days in advance of the last date prescribed in such notice for submittals of public comment. The legislative review provisions of subsections A and B of § 2.2-4014 shall apply to the promulgation or final adoption process for regulations pursuant to this section. The Board shall consider and keep on file all public comments received for any regulation adopted pursuant to this section.**

**§ 4.1-1100. Possession, etc., of marijuana and marijuana products by persons 21 years of age or older lawful; penalties.**

**A. Except as otherwise provided in this subtitle and notwithstanding any other provision of law, a person 21 years of age or older may lawfully possess on his person or in any public place not more than one ounce of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by the Board.**

**B. Any person who possesses on his person or in any public place marijuana or marijuana products in excess of the amounts set forth in subsection A is subject to a civil penalty of no more than \$25 except as otherwise provided in this section. The penalty for any violations of this section by an adult shall be prepayable according to the procedures in § 16.1-69.40:2.**

**C. With the exception of possession by a person in his residence or possession by a licensee in the course of his duties related to such licensee's marijuana establishment, any person who possesses on his person or in any public place (i) more than four ounces but not more than one pound of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by the Board is guilty of a Class 3 misdemeanor and, for a second or subsequent offense, a Class 2 misdemeanor and (ii) more than one pound of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by**

1 the Board is guilty of a felony punishable by a term of imprisonment of not less than one year nor more than 10 years and a fine of not  
2 more than \$250,000, or both.

3 D. The provisions of this section shall not apply to members of federal, state, county, city, or town law-enforcement agencies, jail  
4 officers, or correctional officers, as defined in § 53.1-1, certified as handlers of dogs trained in the detection of controlled substances  
5 when possession of marijuana is necessary for the performance of their duties.

6 **§ 4.1-1101. Home cultivation of marijuana for personal use; penalties.**

7 A. Notwithstanding the provisions of subdivision e (c) of § 18.2-248.1, a person 21 years of age or older may cultivate up to four  
8 marijuana plants for personal use at their place of residence; however, at no point shall a household contain more than four marijuana  
9 plants. For purposes of this section, a "household" means those individuals, whether related or not, who live in the same house or other  
10 place of residence.

11 A person may only cultivate marijuana plants pursuant to this section at such person's main place of residence.

12 *A violation of this subsection shall be punishable as follows:*

13 *1. For possession of more than four marijuana plants but no more than 10 marijuana plants, (i) a civil penalty of \$250 for a first*  
14 *offense, (ii) a Class 3 misdemeanor for a second offense, and (iii) a Class 2 misdemeanor for a third and any subsequent offense;*

15 *2. For possession of more than 10 but no more than 49 marijuana plants, a Class 1 misdemeanor;*

16 *3. For possession of more than 49 but no more than 100 marijuana plants, a Class 6 felony; and*

17 *4. For possession of more than 100 marijuana plants, a felony punishable by a term of imprisonment of not less than one year nor more*  
18 *than 10 years or a fine of not more than \$250,000, or both.*

19 B. A person who cultivates marijuana for personal use pursuant to this section shall:

20 1. Ensure that no marijuana plant is visible from a public way without the use of aircraft, binoculars, or other optical aids;

21 2. Take precautions to prevent unauthorized access by persons younger than 21 years of age; and

22 3. Attach to each marijuana plant a legible tag that includes the person's name, driver's license or identification number, and a notation  
23 that the marijuana plant is being grown for personal use as authorized under this section.

24 *Any person who violates this subsection is subject to a civil penalty of no more than \$25. The penalty for any violations of this section*  
25 *by an adult shall be prepayable according to the procedures in § 16.1-69.40:2.*

26 C. A person shall not manufacture marijuana concentrate from home-cultivated marijuana. The owner of a property or parcel or tract of  
27 land may not intentionally or knowingly allow another person to manufacture marijuana concentrate from home-cultivated marijuana  
28 within or on that property or land.

29 ~~D. The following penalties or punishments shall be imposed on any person convicted of a violation of this section:~~

30 ~~1. For possession of more than four marijuana plants but no more than 10 marijuana plants; (i) a civil penalty of \$250 for a first offense;~~  
31 ~~(ii) a Class 3 misdemeanor for a second offense; and (iii) a Class 2 misdemeanor for a third and any subsequent offense;~~

32 ~~2. For possession of more than 10 but no more than 49 marijuana plants; a Class 1 misdemeanor;~~

33 ~~3. For possession of more than 49 but no more than 100 marijuana plants; a Class 6 felony; and~~

34 ~~4. For possession of more than 100 marijuana plants; a felony punishable by a term of imprisonment of not less than one year nor more~~  
35 ~~than 10 years and a fine of not more than \$250,000; or both.~~

36 **§ 59.1-200. Prohibited practices.**

37 A. The following fraudulent acts or practices committed by a supplier in connection with a consumer transaction are hereby declared  
38 unlawful:

39 1. Misrepresenting goods or services as those of another;

40 2. Misrepresenting the source, sponsorship, approval, or certification of goods or services;

41 3. Misrepresenting the affiliation, connection, or association of the supplier, or of the goods or services, with another;

42 4. Misrepresenting geographic origin in connection with goods or services;

43 5. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits;



- 1 6. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model;
- 2 7. Advertising or offering for sale goods that are used, secondhand, repossessed, defective, blemished, deteriorated, or  
3 reconditioned, or that are "seconds," irregulars, imperfects, or "not first class," without clearly and unequivocally indicating in the  
4 advertisement or offer for sale that the goods are used, secondhand, repossessed, defective, blemished, deteriorated, reconditioned,  
5 or are "seconds," irregulars, imperfects or "not first class";
- 6 8. Advertising goods or services with intent not to sell them as advertised, or with intent not to sell at the price or upon the terms  
7 advertised.
- 8 In any action brought under this subdivision, the refusal by any person, or any employee, agent, or servant thereof, to sell any  
9 goods or services advertised or offered for sale at the price or upon the terms advertised or offered, shall be prima facie evidence  
10 of a violation of this subdivision. This paragraph shall not apply when it is clearly and conspicuously stated in the advertisement  
11 or offer by which such goods or services are advertised or offered for sale, that the supplier or offeror has a limited quantity or  
12 amount of such goods or services for sale, and the supplier or offeror at the time of such advertisement or offer did in fact have or  
13 reasonably expected to have at least such quantity or amount for sale;
- 14 9. Making false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions;
- 15 10. Misrepresenting that repairs, alterations, modifications, or services have been performed or parts installed;
- 16 11. Misrepresenting by the use of any written or documentary material that appears to be an invoice or bill for merchandise or  
17 services previously ordered;
- 18 12. Notwithstanding any other provision of law, using in any manner the words "wholesale," "wholesaler," "factory," or  
19 "manufacturer" in the supplier's name, or to describe the nature of the supplier's business, unless the supplier is actually engaged  
20 primarily in selling at wholesale or in manufacturing the goods or services advertised or offered for sale;
- 21 13. Using in any contract or lease any liquidated damage clause, penalty clause, or waiver of defense, or attempting to collect any  
22 liquidated damages or penalties under any clause, waiver, damages, or penalties that are void or unenforceable under any  
23 otherwise applicable laws of the Commonwealth, or under federal statutes or regulations;
- 24 13a. Failing to provide to a consumer, or failing to use or include in any written document or material provided to or executed by a  
25 consumer, in connection with a consumer transaction any statement, disclosure, notice, or other information however  
26 characterized when the supplier is required by 16 C.F.R. Part 433 to so provide, use, or include the statement, disclosure, notice,  
27 or other information in connection with the consumer transaction;
- 28 14. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer  
29 transaction;
- 30 15. Violating any provision of § [3.2-6509](#), [3.2-6512](#), [3.2-6513](#), [3.2-6513.1](#), [3.2-6514](#), [3.2-6515](#), [3.2-6516](#), or 3.2-6519 is a  
31 violation of this chapter;
- 32 16. Failing to disclose all conditions, charges, or fees relating to:
  - 33 a. The return of goods for refund, exchange, or credit. Such disclosure shall be by means of a sign attached to the goods, or placed  
34 in a conspicuous public area of the premises of the supplier, so as to be readily noticeable and readable by the person obtaining the  
35 goods from the supplier. If the supplier does not permit a refund, exchange, or credit for return, he shall so state on a similar sign.  
36 The provisions of this subdivision shall not apply to any retail merchant who has a policy of providing, for a period of not less  
37 than 20 days after date of purchase, a cash refund or credit to the purchaser's credit card account for the return of defective,  
38 unused, or undamaged merchandise upon presentation of proof of purchase. In the case of merchandise paid for by check, the  
39 purchase shall be treated as a cash purchase and any refund may be delayed for a period of 10 banking days to allow for the check  
40 to clear. This subdivision does not apply to sale merchandise that is obviously distressed, out of date, post season, or otherwise  
41 reduced for clearance; nor does this subdivision apply to special order purchases where the purchaser has requested the supplier to  
42 order merchandise of a specific or unusual size, color, or brand not ordinarily carried in the store or the store's catalog; nor shall  
43 this subdivision apply in connection with a transaction for the sale or lease of motor vehicles, farm tractors, or motorcycles as  
44 defined in § [46.2-100](#);
  - 45 b. A layaway agreement. Such disclosure shall be furnished to the consumer (i) in writing at the time of the layaway agreement, or  
46 (ii) by means of a sign placed in a conspicuous public area of the premises of the supplier, so as to be readily noticeable and  
47 readable by the consumer, or (iii) on the bill of sale. Disclosure shall include the conditions, charges, or fees in the event that a  
48 consumer breaches the agreement;
  - 49 16a. Failing to provide written notice to a consumer of an existing open-end credit balance in excess of \$5 (i) on an account  
50 maintained by the supplier and (ii) resulting from such consumer's overpayment on such account. Suppliers shall give consumers  
51 written notice of such credit balances within 60 days of receiving overpayments. If the credit balance information is incorporated

- 1 into statements of account furnished consumers by suppliers within such 60-day period, no separate or additional notice is required;
- 2 17. If a supplier enters into a written agreement with a consumer to resolve a dispute that arises in connection with a consumer
- 3 transaction, failing to adhere to the terms and conditions of such an agreement;
- 4 18. Violating any provision of the Virginia Health Club Act, Chapter 24 (§ [59.1-294](#) et seq.);
- 5 19. Violating any provision of the Virginia Home Solicitation Sales Act, Chapter 2.1 (§ [59.1-21.1](#) et seq.);
- 6 20. Violating any provision of the Automobile Repair Facilities Act, Chapter 17.1 (§ [59.1-207.1](#) et seq.);
- 7 21. Violating any provision of the Virginia Lease-Purchase Agreement Act, Chapter 17.4 (§ [59.1-207.17](#) et seq.);
- 8 22. Violating any provision of the Prizes and Gifts Act, Chapter 31 (§ [59.1-415](#) et seq.);
- 9 23. Violating any provision of the Virginia Public Telephone Information Act, Chapter 32 (§ [59.1-424](#) et seq.);
- 10 24. Violating any provision of § [54.1-1505](#);
- 11 25. Violating any provision of the Motor Vehicle Manufacturers' Warranty Adjustment Act, Chapter 17.6 (§ [59.1-207.34](#) et seq.);
- 12 26. Violating any provision of § [3.2-5627](#), relating to the pricing of merchandise;
- 13 27. Violating any provision of the Pay-Per-Call Services Act, Chapter 33 (§ [59.1-429](#) et seq.);
- 14 28. Violating any provision of the Extended Service Contract Act, Chapter 34 (§ [59.1-435](#) et seq.);
- 15 29. Violating any provision of the Virginia Membership Camping Act, Chapter 25 (§ [59.1-311](#) et seq.);
- 16 30. Violating any provision of the Comparison Price Advertising Act, Chapter 17.7 (§ [59.1-207.40](#) et seq.);
- 17 31. Violating any provision of the Virginia Travel Club Act, Chapter 36 (§ [59.1-445](#) et seq.);
- 18 32. Violating any provision of §§ [46.2-1231](#) and [46.2-1233.1](#);
- 19 33. Violating any provision of Chapter 40 (§ [54.1-4000](#) et seq.) of Title 54.1;
- 20 34. Violating any provision of Chapter 10.1 (§ [58.1-1031](#) et seq.) of Title 58.1;
- 21 35. Using the consumer's social security number as the consumer's account number with the supplier, if the consumer has requested in
- 22 writing that the supplier use an alternate number not associated with the consumer's social security number;
- 23 36. Violating any provision of Chapter 18 (§ [6.2-1800](#) et seq.) of Title 6.2;
- 24 37. Violating any provision of § [8.01-40.2](#);
- 25 38. Violating any provision of Article 7 (§ [32.1-212](#) et seq.) of Chapter 6 of Title 32.1;
- 26 39. Violating any provision of Chapter 34.1 (§ [59.1-441.1](#) et seq.);
- 27 40. Violating any provision of Chapter 20 (§ [6.2-2000](#) et seq.) of Title 6.2;
- 28 41. Violating any provision of the Virginia Post-Disaster Anti-Price Gouging Act, Chapter 46 (§ [59.1-525](#) et seq.);
- 29 42. Violating any provision of Chapter 47 (§ [59.1-530](#) et seq.);
- 30 43. Violating any provision of § [59.1-443.2](#);
- 31 44. Violating any provision of Chapter 48 (§ [59.1-533](#) et seq.);
- 32 45. Violating any provision of Chapter 25 (§ [6.2-2500](#) et seq.) of Title 6.2;
- 33 46. Violating the provisions of clause (i) of subsection B of § [54.1-1115](#);
- 34 47. Violating any provision of § [18.2-239](#);
- 35 48. Violating any provision of Chapter 26 (§ [59.1-336](#) et seq.);
- 36 49. Selling, offering for sale, or manufacturing for sale a children's product the supplier knows or has reason to know was recalled by
- 37 the U.S. Consumer Product Safety Commission. There is a rebuttable presumption that a supplier has reason to know a children's
- 38 product was recalled if notice of the recall has been posted continuously at least 30 days before the sale, offer for sale, or manufacturing

- 1 for sale on the website of the U.S. Consumer Product Safety Commission. This prohibition does not apply to children's products
- 2 that are used, secondhand or "seconds";
- 3 50. Violating any provision of Chapter 44.1 (§ 59.1-518.1 et seq.);
- 4 51. Violating any provision of Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2;
- 5 52. Violating any provision of § 8.2-317.1;
- 6 53. Violating subsection A of § 9.1-149.1;
- 7 54. Selling, offering for sale, or using in the construction, remodeling, or repair of any residential dwelling in the Commonwealth,
- 8 any drywall that the supplier knows or has reason to know is defective drywall. This subdivision shall not apply to the sale or
- 9 offering for sale of any building or structure in which defective drywall has been permanently installed or affixed;
- 10 55. Engaging in fraudulent or improper or dishonest conduct as defined in § 54.1-1118 while engaged in a transaction that was
- 11 initiated (i) during a declared state of emergency as defined in § 44-146.16 or (ii) to repair damage resulting from the event that
- 12 prompted the declaration of a state of emergency, regardless of whether the supplier is licensed as a contractor in the
- 13 Commonwealth pursuant to Chapter 11 (§ 54.1-1100 et seq.) of Title 54.1;
- 14 56. Violating any provision of Chapter 33.1 (§ 59.1-434.1 et seq.);
- 15 57. Violating any provision of § 18.2-178, 18.2-178.1, or 18.2-200.1;
- 16 58. Violating any provision of Chapter 17.8 (§ 59.1-207.45 et seq.);
- 17 59. Violating any provision of subsection E of § 32.1-126;
- 18 60. Violating any provision of § 54.1-111 relating to the unlicensed practice of a profession licensed under Chapter 11 (§ 54.1-
- 19 1100 et seq.) or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1;
- 20 61. Violating any provision of § 2.2-2001.5;
- 21 62. Violating any provision of Chapter 5.2 (§ 54.1-526 et seq.) of Title 54.1;
- 22 63. Violating any provision of § 6.2-312;
- 23 64. Violating any provision of Chapter 20.1 (§ 6.2-2026 et seq.) of Title 6.2;
- 24 65. Violating any provision of Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2; and
- 25 66. Violating any provision of Chapter 54 (§ 59.1-586 et seq.);
- 26 67. *Selling or offering for sale to a person younger than 21 years of age any substance intended for human consumption, orally or*
- 27 *by inhalation, that contains tetrahydrocannabinol. This subdivision shall not (i) apply to products that are approved for marketing*
- 28 *by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to*
- 29 *prohibit any conduct permitted under Article 4.2 of Chapter 34 of Title 54.1 of the Code of Virginia;*
- 30 68. *Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains*
- 31 *tetrahydrocannabinol, unless such substance is (i) contained in child-resistant packaging, as defined in § 4.1-600; (ii) equipped*
- 32 *with a label that states, in English and in a font no less than 1/16 of an inch, (a) that the substance contains tetrahydrocannabinol*
- 33 *and may not be sold to persons younger than 21 years of age, (b) all ingredients contained in the substance, (c) the amount of*
- 34 *such substance that constitutes a single serving, and (d) the total percentage and milligrams of tetrahydrocannabinol included in*
- 35 *the substance and the number of milligrams of tetrahydrocannabinol that are contained in each serving; and (iii) accompanied by*
- 36 *a certificate of analysis, produced by an independent laboratory that is accredited pursuant to standard ISO/IEC 17025 of the*
- 37 *International Organization of Standardization by a third-party accrediting body, that states the tetrahydrocannabinol*
- 38 *concentration of the substance or the tetrahydrocannabinol concentration of the batch from which the substance originates. This*
- 39 *subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and*
- 40 *scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Article 4.2 of*
- 41 *Chapter 34 of Title 54.1 of the Code of Virginia;*
- 42 69. *Manufacturing, offering for sale at retail, or selling at retail an industrial hemp extract, as defined in § 3.2-5145.1, a food*
- 43 *containing an industrial hemp extract, or a substance containing tetrahydrocannabinol that depicts or is in the shape of a human,*
- 44 *animal, vehicle, or fruit; and*
- 45 70. *Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains*
- 46 *tetrahydrocannabinol and, without authorization, bears, is packaged in a container or wrapper that bears, or is otherwise labeled*
- 47 *to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or*

1 *any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the*  
 2 *manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance.*

3 B. Nothing in this section shall be construed to invalidate or make unenforceable any contract or lease solely by reason of the failure of  
 4 such contract or lease to comply with any other law of the Commonwealth or any federal statute or regulation, to the extent such other  
 5 law, statute, or regulation provides that a violation of such law, statute, or regulation shall not invalidate or make unenforceable such  
 6 contract or lease.

7 **15. That the Secretary of Agriculture and Forestry shall, in conjunction with the Secretary of Public Safety and Homeland**  
 8 **Security and Secretary of Health and Human Resources, establish a task force to analyze and make recommendations**  
 9 **regarding whether any statutory or regulatory modifications are necessary to ensure the safe and responsible manufacture and**  
 10 **sale of industrial hemp extracts and other substances containing tetrahydrocannabinol that are intended for human**  
 11 **consumption, orally or by inhalation, in the Commonwealth. The task force shall focus on the current and recommended**  
 12 **statutory and regulatory framework for the various isomers, salts, and salts of isomers of tetrahydrocannabinol. Such task**  
 13 **force shall include representatives from the Department of Agriculture and Consumer Services, the Office of the Attorney**  
 14 **General, the Department of Forensic Sciences, the Cannabis Control Authority, and other stakeholders as determined by the**  
 15 **Secretary of Agriculture and Forestry. The Secretary of Agriculture and Forestry shall report the findings and**  
 16 **recommendations of the task force to the Governor and the Chairmen of the Senate Committee on Rehabilitation and Social**  
 17 **Services and the House Committee on General Laws by November 15, 2022.**

18 **16. That any person that sells or offers for sale an industrial hemp extract, as defined in § 3.2-5145.1 of the Code of Virginia, or**  
 19 **a food containing an industrial hemp extract is subject to the provisions of Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2 of the**  
 20 **Code of Virginia and regulations adopted pursuant thereto.**

21 **17. That § 58.1-322.02 of the Code of Virginia is amended and reenacted as follows:**

22 **§ 58.1-322.02. Virginia taxable income; subtractions.**

23 In computing Virginia taxable income pursuant to § 58.1-322, to the extent included in federal adjusted gross income, there shall be  
 24 subtracted:

25 1. Income derived from obligations, or on the sale or exchange of obligations, of the United States and on obligations or securities of  
 26 any authority, commission, or instrumentality of the United States to the extent exempt from state income taxes under the laws of the  
 27 United States, including, but not limited to, stocks, bonds, treasury bills, and treasury notes but not including interest on refunds of  
 28 federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

29 2. Income derived from obligations, or on the sale or exchange of obligations, of the Commonwealth or of any political subdivision or  
 30 instrumentality of the Commonwealth.

31 3. Benefits received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to §  
 32 86 of the Internal Revenue Code.

33 4. Up to \$20,000 of disability income, as defined in § 22(c)(2)(B)(iii) of the Internal Revenue Code; however, any person who claims a  
 34 deduction under subdivision 5 of § 58.1-322.03 may not also claim a subtraction under this subdivision.

35 5. The amount of any refund or credit for overpayment of income taxes imposed by the Commonwealth or any other taxing jurisdiction.

36 6. The amount of wages or salaries eligible for the federal Work Opportunity Credit which was not deducted for federal purposes on  
 37 account of the provisions of § 280C(a) of the Internal Revenue Code.

38 7. Any amount included therein less than \$600 from a prize awarded by the Virginia Lottery.

39 8. The wages or salaries received by any person for active and inactive service in the National Guard of the Commonwealth of  
 40 Virginia, not to exceed the amount of income derived from 39 calendar days of such service or \$3,000, whichever amount is less;  
 41 however, only those persons in the ranks of O3 and below shall be entitled to the deductions specified in this subdivision.

42 9. Amounts received by an individual, not to exceed \$1,000 for taxable years beginning on or before December 31, 2019, and \$5,000  
 43 for taxable years beginning on or after January 1, 2020, as a reward for information provided to a law-enforcement official or agency,  
 44 or to a nonprofit corporation created exclusively to assist such law-enforcement official or agency, in the apprehension and conviction  
 45 of perpetrators of crimes. This subdivision shall not apply to the following: an individual who is an employee of, or under contract  
 46 with, a law-enforcement agency, a victim or the perpetrator of the crime for which the reward was paid, or any person who is  
 47 compensated for the investigation of crimes or accidents.

48 10. The amount of "qualified research expenses" or "basic research expenses" eligible for deduction for federal purposes, but which  
 49 were not deducted, on account of the provisions of § 280C(c) of the Internal Revenue Code and which shall be available to partners,  
 50 shareholders of S corporations, and members of limited liability companies to the extent and in the same manner as other deductions  
 51 may pass through to such partners, shareholders, and members.

11. Any income received during the taxable year derived from a qualified pension, profit-sharing, or stock bonus plan as described by § 401 of the Internal Revenue Code, an individual retirement account or annuity established under § 408 of the Internal Revenue Code, a deferred compensation plan as defined by § 457 of the Internal Revenue Code, or any federal government retirement program, the contributions to which were deductible from the taxpayer's federal adjusted gross income, but only to the extent the contributions to such plan or program were subject to taxation under the income tax in another state.

12. Any income attributable to a distribution of benefits or a refund from a prepaid tuition contract or savings trust account with the Virginia College Savings Plan, created pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. The subtraction for any income attributable to a refund shall be limited to income attributable to a refund in the event of a beneficiary's death, disability, or receipt of a scholarship.

13. All military pay and allowances, to the extent included in federal adjusted gross income and not otherwise subtracted, deducted, or exempted under this section, earned by military personnel while serving by order of the President of the United States with the consent of Congress in a combat zone or qualified hazardous duty area that is treated as a combat zone for federal tax purposes pursuant to § 112 of the Internal Revenue Code.

14. For taxable years beginning before January 1, 2015, the gain derived from the sale or exchange of real property or the sale or exchange of an easement to real property which results in the real property or the easement thereto being devoted to open-space use, as that term is defined in § 58.1-3230, for a period of time not less than 30 years. To the extent that a subtraction is taken in accordance with this subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for three years following the year in which the subtraction is taken.

15. Fifteen thousand dollars of military basic pay for military service personnel on extended active duty for periods in excess of 90 days; however, the subtraction amount shall be reduced dollar-for-dollar by the amount by which the taxpayer's military basic pay exceeds \$15,000 and shall be reduced to zero if such military basic pay amount is equal to or exceeds \$30,000.

16. The first \$15,000 of salary for each federal and state employee whose total annual salary from all employment for the taxable year is \$15,000 or less.

17. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.

18. *a.* Any amount received as military retirement income by an individual awarded the Congressional Medal of Honor.

*b.* For taxable years beginning on and after January 1, 2022, but before January 1, 2023, up to \$10,000 of military benefits; for taxable years beginning on and after January 1, 2023, but before January 1, 2024, up to \$20,000 of military benefits; for taxable years beginning on and after January 1, 2024, but before January 1, 2025, up to \$30,000 of military benefits; and for taxable years beginning on and after January 1, 2025, up to \$40,000 of military benefits. For purposes of this subdivision *b*, "military benefits" means any (i) military retirement income received for service in the Armed Forces of the United States, (ii) qualified military benefits received pursuant to § 134 of the Internal Revenue Code, (iii) benefits paid to the surviving spouse of a veteran of the Armed Forces of the United States under the Survivor Benefit Plan program established by the U.S. Department of Defense, and (iv) military benefits paid to the surviving spouse of a veteran of the Armed Forces of the United States. The subtraction allowed by this subdivision *b* shall be allowed only for military benefits received by an individual age 55 or older. No subtraction shall be allowed pursuant to this subdivision *b* if a credit, exemption, subtraction, or deduction is claimed for the same income pursuant to subdivision *a* or any other provision of Virginia or federal law.

19. Items of income attributable to, derived from, or in any way related to (i) assets stolen from, hidden from, or otherwise lost by an individual who was a victim or target of Nazi persecution or (ii) damages, reparations, or other consideration received by a victim or target of Nazi persecution to compensate such individual for performing labor against his will under the threat of death, during World War II and its prelude and direct aftermath. This subtraction shall not apply to assets acquired with such items of income or with the proceeds from the sale of assets stolen from, hidden from, or otherwise lost to, during World War II and its prelude and direct aftermath, a victim or target of Nazi persecution. The provisions of this subdivision shall only apply to an individual who was the first recipient of such items of income and who was a victim or target of Nazi persecution, or a spouse, surviving spouse, or child or stepchild of such victim.

As used in this subdivision:

"Nazi regime" means the country of Nazi Germany, areas occupied by Nazi Germany, those European countries allied with Nazi Germany, or any other neutral European country or area in Europe under the influence or threat of Nazi invasion.

"Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution by the Nazi regime who had assets stolen from, hidden from, or otherwise lost as a result of any act or omission in any way relating to (i) the Holocaust, (ii) World War II and its prelude and direct aftermath, (iii) transactions with or actions of the Nazi regime, (iv) treatment of refugees fleeing Nazi persecution, or (v) the holding of such assets by entities or persons in the Swiss Confederation during World War II and its prelude and aftermath. A "victim or target of Nazi persecution" also includes any individual forced into labor against his will, under the threat of death, during World War II and its prelude and direct aftermath.



- 1 20. The military death gratuity payment made after September 11, 2001, to the survivor of deceased military personnel killed in the line  
2 of duty, pursuant to 10 U.S.C. Chapter 75; however, the subtraction amount shall be reduced dollar-for-dollar by the amount that the  
3 survivor may exclude from his federal gross income in accordance with § 134 of the Internal Revenue Code.
- 4 21. The death benefit payments from an annuity contract that are received by a beneficiary of such contract, provided that (i) the death  
5 benefit payment is made pursuant to an annuity contract with an insurance company and (ii) the death benefit payment is paid solely by  
6 lump sum. The subtraction under this subdivision shall be allowed only for that portion of the death benefit payment that is included in  
7 federal adjusted gross income.
- 8 22. Any gain recognized from the sale of launch services to space flight participants, as defined in 49 U.S.C. § 70102, or launch  
9 services intended to provide individuals with the training or experience of a launch, without performing an actual launch. To qualify for  
10 a deduction under this subdivision, launch services must be performed in Virginia or originate from an airport or spaceport in Virginia.
- 11 23. Any gain recognized as a result of resupply services contracts for delivering payload, as defined in 49 U.S.C. § 70102, entered into  
12 with the Commercial Orbital Transportation Services division of the National Aeronautics and Space Administration or other space  
13 flight entity, as defined in § 8.01-227.8, and launched from an airport or spaceport in Virginia.
- 14 24. Any income taxed as a long-term capital gain for federal income tax purposes, or any income taxed as investment services  
15 partnership interest income (otherwise known as investment partnership carried interest income) for federal income tax purposes. To  
16 qualify for a subtraction under this subdivision, such income shall be attributable to an investment in a "qualified business," as defined  
17 in § 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided that the business has its  
18 principal office or facility in the Commonwealth and less than \$3 million in annual revenues in the fiscal year prior to the investment.  
19 To qualify for a subtraction under this subdivision, the investment shall be made between the dates of April 1, 2010, and June 30, 2020.  
20 No taxpayer who has claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4 shall be eligible for the  
21 subtraction under this subdivision for an investment in the same business.
- 22 25. For taxable years beginning on and after January 1, 2014, any income of an account holder for the taxable year taxed as (i) a capital  
23 gain for federal income tax purposes attributable to such person's first-time home buyer savings account established pursuant to  
24 Chapter 12 (§ 36-171 et seq.) of Title 36 and (ii) interest income or other income for federal income tax purposes attributable to such  
25 person's first-time home buyer savings account. Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any  
26 subtraction taken under this subdivision shall be subject to recapture in the taxable year or years in which moneys or funds withdrawn  
27 from the first-time home buyer savings account were used for any purpose other than the payment of eligible costs by or on behalf of a  
28 qualified beneficiary, as provided under § 36-174. The amount subject to recapture shall be a portion of the amount withdrawn in the  
29 taxable year that was used for other than the payment of eligible costs, computed by multiplying the amount withdrawn and used for  
30 other than the payment of eligible costs by the ratio of the aggregate earnings in the account at the time of the withdrawal to the total  
31 balance in the account at such time. However, recapture shall not apply to the extent of moneys or funds withdrawn that were (i)  
32 withdrawn by reason of the qualified beneficiary's death or disability; (ii) a disbursement of assets of the account pursuant to a filing for  
33 protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 through 1330; or (iii) transferred from an account established  
34 pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36 into another account established pursuant to such chapter for the benefit of another  
35 qualified beneficiary. For purposes of this subdivision, "account holder," "eligible costs," "first-time home buyer savings account," and  
36 "qualified beneficiary" mean the same as those terms are defined in § 36-171.
- 37 26. For taxable years beginning on and after January 1, 2015, any income for the taxable year attributable to the discharge of a student  
38 loan solely by reason of the student's death. For purposes of this subdivision, "student loan" means the same as that term is defined  
39 under § 108(f) of the Internal Revenue Code.
- 40 27. a. Income, including investment services partnership interest income (otherwise known as investment partnership carried interest  
41 income), attributable to an investment in a Virginia venture capital account. To qualify for a subtraction under this subdivision, the  
42 investment shall be made on or after January 1, 2018, but before December 31, 2023. No subtraction shall be allowed under this  
43 subdivision for an investment in a company that is owned or operated by a family member or an affiliate of the taxpayer. No  
44 subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision 24 or a tax credit  
45 under § 58.1-339.4 for the same investment.
- 46 b. As used in this subdivision 27:
- 47 "Qualified portfolio company" means a company that (i) has its principal place of business in the Commonwealth; (ii) has a primary  
48 purpose of production, sale, research, or development of a product or service other than the management or investment of capital; and  
49 (iii) provides equity in the company to the Virginia venture capital account in exchange for a capital investment. "Qualified portfolio  
50 company" does not include a company that is an individual or sole proprietorship.
- 51 "Virginia venture capital account" means an investment fund that has been certified by the Department as a Virginia venture capital  
52 account. In order to be certified as a Virginia venture capital account, the operator of the investment fund shall register the investment  
53 fund with the Department prior to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed  
54 to its fund in qualified portfolio companies and (ii) providing documentation that it employs at least one investor who has at least four  
55 years of professional experience in venture capital investment or substantially equivalent experience. "Substantially equivalent  
56 experience" includes, but is not limited to, an undergraduate degree from an accredited college or university in economics, finance, or a

similar field of study. The Department may require an investment fund to provide documentation of the investor's training, education, or experience as deemed necessary by the Department to determine substantial equivalency. If the Department determines that the investment fund employs at least one investor with the experience set forth herein, the Department shall certify the investment fund as a Virginia venture capital account at such time as the investment fund actually invests at least 50 percent of the capital committed to its fund in qualified portfolio companies.

28. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for a subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by a family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision 24 or 27 or a tax credit under § 58.1-339.4 for the same investment.

b. As used in this subdivision 28:

"Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of § 2.2-115.

"Double distressed" means satisfying the criteria applicable to a locality described in subdivision E 3 of § 2.2-115.

"Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C. § 856, that has been certified by the Department as a Virginia real estate investment trust. In order to be certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed. If the Department determines that the trust satisfies the preceding criteria, the Department shall certify the trust as a Virginia real estate investment trust at such time as the trust actually invests at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed.

29. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking of real property by condemnation proceedings.

30. For taxable years beginning on and after January 1, 2020, but before January 1, 2021, up to \$100,000 of all grant funds received by the taxpayer under the Rebuild Virginia program established by the Governor and administered by the Department of Small Business and Supplier Diversity.

**18. § 1. Programs offered to children who reside at a private school accredited by the Virginia Council for Private Education, which is located West of Sandy Ridge and on the watersheds of Big Sandy River, and to which no contributions are made by the Commonwealth or any agency thereof, shall not be required to obtain a licensure pursuant to Title 63.2 and Title 22.1 of the Code of Virginia. Such programs shall be subject to the safety and supervisory standards established for such school by the Virginia Council for Private Education.**

**19. That § 22.1-349.1 of the Code of Virginia is amended and reenacted as follows:**

**§ 22.1-349.1. Definitions; objectives.**

A. As used in this chapter, unless the context requires a different meaning:

"At-risk student" means a student having a physical, emotional, intellectual, socioeconomic, or cultural risk factor, as defined in Board criteria, that research indicates may negatively influence educational success.

"College partnership laboratory school" means a public, nonsectarian, nonreligious school in the Commonwealth established by a public institution of higher education ~~or private institution of; public higher education that operates a teacher education program approved by the Board center, institute, or authority; or an eligible institution as defined in § 23.1-628. Notwithstanding the provisions of § 22.1-349.5, a public institution of higher education; a public higher education center, institute, or authority; or an eligible institution as defined in § 23.1-628 may submit an application for formation of a college partnership laboratory school.~~

"Governing board" means the board of a college partnership laboratory school that is responsible for creating, managing, and operating the college partnership laboratory school and whose members have been selected by the institution of higher education that establishes the college partnership laboratory school. The governing board shall be under the control of the institution of higher education that establishes the college partnership laboratory school.

B. College partnership laboratory schools may be established as provided in this chapter to (i) stimulate the development of innovative programs for preschool through grade 12 students; (ii) provide opportunities for innovative instruction and assessment; (iii) provide teachers with a vehicle for establishing schools with alternative innovative instruction and school scheduling, management, and structure; (iv) encourage the use of performance-based educational programs; (v) establish high standards for both teachers and administrators; (vi) encourage greater collaboration between education providers from preschool to the postsecondary level; and (vii) develop models for replication in other public schools.

**20. That § 58.1-322.03 of the Code of Virginia is amended and reenacted as follows:**

1 **§ 58.1-322.03. (See Acts 2022, Sp. Sess. I, c. 2, cl. 7 and cl. 8 for contingencies) Virginia taxable income; deductions.**

2 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia adjusted gross income as defined  
3 in § 58.1-321:

4 1. a. The amount allowable for itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year  
5 to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other  
6 taxing jurisdiction and deducted on such federal return and increased by an amount that, when added to the amount deducted under §  
7 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes at a rate of 18 cents per  
8 mile; or

9 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income tax return: (i) for taxable years  
10 beginning before January 1, 2019, and on and after January 1, 2026, \$3,000 for single individuals and \$6,000 for married persons (one-  
11 half of such amounts in the case of a married individual filing a separate return); (ii) for taxable years beginning on and after January 1,  
12 2019, but before January 1, 2022, \$4,500 for single individuals and \$9,000 for married persons (one-half of such amounts in the case of  
13 a married individual filing a separate return); ~~and~~ (iii) for taxable years beginning on and after January 1, 2022, but before January 1,  
14 2026 2024, \$8,000 for single individuals and \$16,000 for married persons (one-half of such amounts in the case of a married individual  
15 filing a separate return); *and (iv) for taxable years beginning on and after January 1, 2024, but before January 1, 2026, \$8,500 for*  
16 *single individuals and \$17,000 for married persons (one-half of such amounts in the case of a married individual filing a separate*  
17 *return).* For purposes of this section, any person who may be claimed as a dependent on another taxpayer's return for the taxable year  
18 may compute the deduction only with respect to earned income.

19 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for federal income tax purposes.

20 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be entitled to an additional personal  
21 exemption in the amount of \$800.

22 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be allowable regardless of whether the  
23 taxpayer itemizes deductions for the taxable year for federal income tax purposes.

24 3. A deduction equal to the amount of employment-related expenses upon which the federal credit is based under § 21 of the Internal  
25 Revenue Code for expenses for household and dependent care services necessary for gainful employment.

26 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under permanent foster care placement  
27 as defined in § 63.2-908, provided that the taxpayer can also claim the child as a personal exemption under § 151 of the Internal  
28 Revenue Code.

29 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

30 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have attained the age of 65. This deduction  
31 shall be reduced by \$1 for every \$1 that the taxpayer's adjusted federal adjusted gross income exceeds \$50,000 for single taxpayers or  
32 \$75,000 for married taxpayers. For married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total  
33 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

34 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted gross income minus any benefits  
35 received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the  
36 Internal Revenue Code, as amended.

37 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow donor, if (i) the individual is not  
38 reimbursed for such fee or (ii) the individual has not claimed a deduction for the payment of such fee on his federal income tax return.

39 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed during the taxable year for a  
40 prepaid tuition contract or college savings trust account entered into with the Virginia College Savings Plan, pursuant to Chapter 7 (§  
41 23.1-700 et seq.) of Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in any  
42 taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust account. No deduction shall be allowed  
43 pursuant to this subdivision 7 if such payments or contributions are deducted on the purchaser's or contributor's federal income tax  
44 return. If the purchase price or annual contribution to a college savings trust account exceeds \$4,000, the remainder may be carried  
45 forward and subtracted in future taxable years until the purchase price or college savings trust contribution has been fully deducted;  
46 however, except as provided in subdivision b, in no event shall the amount deducted in any taxable year exceed \$4,000 per contract or  
47 college savings trust account. Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any deduction taken  
48 hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are made for any reason other than  
49 (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the beneficiary's death,  
50 disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser" or "contributor" means the person shown as  
51 such on the records of the Virginia College Savings Plan as of December 31 of the taxable year. In the case of a transfer of ownership  
52 of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's tax attributes associated  
53 with a prepaid tuition contract or college savings trust account, including, but not limited to, carryover and recapture of deductions.



b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be allowed a deduction for the full amount paid for the contract or contributed to a college savings trust account, less any amounts previously deducted.

8. The total amount an individual actually contributed in funds to the Virginia Public School Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1, provided that the individual has not claimed a deduction for such amount on his federal income tax return.

9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 to attend continuing teacher education courses that are required as a condition of employment; however, the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition costs on his federal income tax return.

10. The amount an individual pays annually in premiums for long-term health care insurance, provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the individual during the taxable year shall be allowed if the individual has claimed a federal income tax deduction for such taxable year for long-term health care insurance premiums paid by him.

11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

a. If the payment is received in installment payments, then the recognized gain may be subtracted in the taxable year immediately following the year in which the installment payment is received.

b. If the payment is received in a single payment, then 10 percent of the recognized gain may be subtracted in the taxable year immediately following the year in which the single payment is received. The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the following items of tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12 months of such donation, provided that the donor has not taken a medical deduction in accordance with the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or older with earned income of at least \$20,000 for the year and federal adjusted gross income not in excess of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to this chapter.

15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal property taxes imposed by the

1 Commonwealth or any other taxing jurisdiction not otherwise deducted solely on account of the dollar limitation imposed on individual  
2 deductions by § 164(b)(6)(B) of the Internal Revenue Code.

3 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not deductible when computing federal  
4 adjusted gross income solely on account of the portion of subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

5 18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, the lesser of \$500 or the actual amount paid  
6 or incurred for eligible educator qualifying expenses. For purposes of this subdivision, "eligible educator" means an individual who for  
7 at least 900 hours during the taxable year in which the credit under this section is claimed served as a teacher licensed pursuant to  
8 Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel, or student aide serving  
9 accredited public or private primary and secondary school students in Virginia, and "qualifying expenses" means 100 percent of the  
10 amount paid or incurred by an eligible educator during the taxable year for participation in professional development courses and the  
11 purchase of books, supplies, computer equipment (including related software and services), other educational and teaching equipment,  
12 and supplementary materials used directly in that individual's service to students as an eligible educator, provided that such purchases  
13 were neither reimbursed nor claimed as a deduction on the eligible educator's federal income tax return for such taxable year.

14 **21. That § 58.1-322.02 of the Code of Virginia is amended and reenacted as follows:**

15 **§ 58.1-322.02. Virginia taxable income; subtractions.**

16 In computing Virginia taxable income pursuant to § 58.1-322, to the extent included in federal adjusted gross income, there shall be  
17 subtracted:

18 1. Income derived from obligations, or on the sale or exchange of obligations, of the United States and on obligations or securities of  
19 any authority, commission, or instrumentality of the United States to the extent exempt from state income taxes under the laws of the  
20 United States, including, but not limited to, stocks, bonds, treasury bills, and treasury notes but not including interest on refunds of  
21 federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

22 2. Income derived from obligations, or on the sale or exchange of obligations, of the Commonwealth or of any political subdivision or  
23 instrumentality of the Commonwealth.

24 3. Benefits received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to §  
25 86 of the Internal Revenue Code.

26 4. Up to \$20,000 of disability income, as defined in § 22(c)(2)(B)(iii) of the Internal Revenue Code; however, any person who claims a  
27 deduction under subdivision 5 of § 58.1-322.03 may not also claim a subtraction under this subdivision.

28 5. The amount of any refund or credit for overpayment of income taxes imposed by the Commonwealth or any other taxing jurisdiction.

29 6. The amount of wages or salaries eligible for the federal Work Opportunity Credit which was not deducted for federal purposes on  
30 account of the provisions of § 280C(a) of the Internal Revenue Code.

31 7. Any amount included therein less than \$600 from a prize awarded by the Virginia Lottery.

32 8. The wages or salaries received by any person for active and inactive service in the National Guard of the Commonwealth of  
33 Virginia, (i) for taxable years beginning before January 1, 2023, not to exceed the amount of income derived from 39 calendar days of  
34 such service or \$3,000, whichever amount is less; however, only those persons in the ranks of O3 and below shall be entitled to the  
35 subtractions specified in this clause, and (ii) for taxable years beginning on or after January 1, 2023, not to exceed the amount of  
36 income derived from 39 calendar days of such service or \$5,500, whichever amount is less; however, only those persons in the ranks of  
37 O6 and below shall be entitled to the subtractions specified in this clause.

38 9. Amounts received by an individual, not to exceed \$1,000 for taxable years beginning on or before December 31, 2019, and \$5,000  
39 for taxable years beginning on or after January 1, 2020, as a reward for information provided to a law-enforcement official or agency,  
40 or to a nonprofit corporation created exclusively to assist such law-enforcement official or agency, in the apprehension and conviction  
41 of perpetrators of crimes. This subdivision shall not apply to the following: an individual who is an employee of, or under contract  
42 with, a law-enforcement agency, a victim or the perpetrator of the crime for which the reward was paid, or any person who is  
43 compensated for the investigation of crimes or accidents.

44 10. The amount of "qualified research expenses" or "basic research expenses" eligible for deduction for federal purposes, but which  
45 were not deducted, on account of the provisions of § 280C(c) of the Internal Revenue Code and which shall be available to partners,  
46 shareholders of S corporations, and members of limited liability companies to the extent and in the same manner as other deductions  
47 may pass through to such partners, shareholders, and members.

48 11. Any income received during the taxable year derived from a qualified pension, profit sharing, or stock bonus plan as described by §  
49 401 of the Internal Revenue Code, an individual retirement account or annuity established under § 408 of the Internal Revenue Code, a  
50 deferred compensation plan as defined by § 457 of the Internal Revenue Code, or any federal government retirement program, the  
51 contributions to which were deductible from the taxpayer's federal adjusted gross income, but only to the extent the contributions to

- 1 such plan or program were subject to taxation under the income tax in another state.
- 2 12. Any income attributable to a distribution of benefits or a refund from a prepaid tuition contract or savings trust account with  
3 the Virginia College Savings Plan, created pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. The subtraction for any income  
4 attributable to a refund shall be limited to income attributable to a refund in the event of a beneficiary's death, disability, or receipt  
5 of a scholarship.
- 6 13. All military pay and allowances, to the extent included in federal adjusted gross income and not otherwise subtracted,  
7 deducted, or exempted under this section, earned by military personnel while serving by order of the President of the United States  
8 with the consent of Congress in a combat zone or qualified hazardous duty area that is treated as a combat zone for federal tax  
9 purposes pursuant to § 112 of the Internal Revenue Code.
- 10 14. For taxable years beginning before January 1, 2015, the gain derived from the sale or exchange of real property or the sale or  
11 exchange of an easement to real property which results in the real property or the easement thereto being devoted to open-space  
12 use, as that term is defined in § 58.1-3230, for a period of time not less than 30 years. To the extent that a subtraction is taken in  
13 accordance with this subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for three  
14 years following the year in which the subtraction is taken.
- 15 15. Fifteen thousand dollars of military basic pay for military service personnel on extended active duty for periods in excess of 90  
16 days; however, the subtraction amount shall be reduced dollar-for-dollar by the amount by which the taxpayer's military basic pay  
17 exceeds \$15,000 and shall be reduced to zero if such military basic pay amount is equal to or exceeds \$30,000.
- 18 16. The first \$15,000 of salary for each federal and state employee whose total annual salary from all employment for the taxable  
19 year is \$15,000 or less.
- 20 17. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.
- 21 18. a. Any amount received as military retirement income by an individual awarded the Congressional Medal of Honor.
- 22 b. For taxable years beginning on and after January 1, 2022, but before January 1, 2023, up to \$10,000 of military benefits; *and* for  
23 taxable years beginning on and after January 1, 2023, but before January 1, 2024, up to \$20,000 of military benefits. ; ~~for~~
- 24 c. *For* taxable years beginning on and after January 1, 2024, but before January 1, 2025, up to \$30,000 of military benefits; and for  
25 taxable years beginning on and after January 1, 2025, up to \$40,000 of military benefits.
- 26 d. For purposes of ~~this subdivision~~ subdivisions b and c, "military benefits" means any (i) military retirement income received for  
27 service in the Armed Forces of the United States, (ii) qualified military benefits received pursuant to § 134 of the Internal Revenue  
28 Code, (iii) benefits paid to the surviving spouse of a veteran of the Armed Forces of the United States under the Survivor Benefit  
29 Plan program established by the U.S. Department of Defense, and (iv) military benefits paid to the surviving spouse of a veteran  
30 of the Armed Forces of the United States. The subtraction allowed by this subdivision b shall be allowed only for military benefits  
31 received by an individual age 55 or older. *The subtraction allowed by subdivision c shall be allowed for military benefits received*  
32 *by an individual of any age.* No subtraction shall be allowed pursuant to ~~this subdivision~~ subdivisions b and c if a credit,  
33 exemption, subtraction, or deduction is claimed for the same income pursuant to subdivision a or any other provision of Virginia or  
34 federal law.
- 35 19. Items of income attributable to, derived from, or in any way related to (i) assets stolen from, hidden from, or otherwise lost by  
36 an individual who was a victim or target of Nazi persecution or (ii) damages, reparations, or other consideration received by a  
37 victim or target of Nazi persecution to compensate such individual for performing labor against his will under the threat of death,  
38 during World War II and its prelude and direct aftermath. This subtraction shall not apply to assets acquired with such items of  
39 income or with the proceeds from the sale of assets stolen from, hidden from, or otherwise lost to, during World War II and its  
40 prelude and direct aftermath, a victim or target of Nazi persecution. The provisions of this subdivision shall only apply to an  
41 individual who was the first recipient of such items of income and who was a victim or target of Nazi persecution, or a spouse,  
42 surviving spouse, or child or stepchild of such victim.
- 43 As used in this subdivision:
- 44 "Nazi regime" means the country of Nazi Germany, areas occupied by Nazi Germany, those European countries allied with Nazi  
45 Germany, or any other neutral European country or area in Europe under the influence or threat of Nazi invasion.
- 46 "Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution by the Nazi regime who had  
47 assets stolen from, hidden from, or otherwise lost as a result of any act or omission in any way relating to (i) the Holocaust, (ii)  
48 World War II and its prelude and direct aftermath, (iii) transactions with or actions of the Nazi regime, (iv) treatment of refugees  
49 fleeing Nazi persecution, or (v) the holding of such assets by entities or persons in the Swiss Confederation during World War II  
50 and its prelude and aftermath. A "victim or target of Nazi persecution" also includes any individual forced into labor against his  
51 will, under the threat of death, during World War II and its prelude and direct aftermath.
- 52 20. The military death gratuity payment made after September 11, 2001, to the survivor of deceased military personnel killed in

- the line of duty, pursuant to 10 U.S.C. Chapter 75; however, the subtraction amount shall be reduced dollar-for-dollar by the amount that the survivor may exclude from his federal gross income in accordance with § 134 of the Internal Revenue Code.
21. The death benefit payments from an annuity contract that are received by a beneficiary of such contract, provided that (i) the death benefit payment is made pursuant to an annuity contract with an insurance company and (ii) the death benefit payment is paid solely by lump sum. The subtraction under this subdivision shall be allowed only for that portion of the death benefit payment that is included in federal adjusted gross income.
22. Any gain recognized from the sale of launch services to space flight participants, as defined in 49 U.S.C. § 70102, or launch services intended to provide individuals with the training or experience of a launch, without performing an actual launch. To qualify for a deduction under this subdivision, launch services must be performed in Virginia or originate from an airport or spaceport in Virginia.
23. Any gain recognized as a result of resupply services contracts for delivering payload, as defined in 49 U.S.C. § 70102, entered into with the Commercial Orbital Transportation Services division of the National Aeronautics and Space Administration or other space flight entity, as defined in § 8.01-227.8, and launched from an airport or spaceport in Virginia.
24. Any income taxed as a long-term capital gain for federal income tax purposes, or any income taxed as investment services partnership interest income (otherwise known as investment partnership carried interest income) for federal income tax purposes. To qualify for a subtraction under this subdivision, such income shall be attributable to an investment in a "qualified business," as defined in § 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided that the business has its principal office or facility in the Commonwealth and less than \$3 million in annual revenues in the fiscal year prior to the investment. To qualify for a subtraction under this subdivision, the investment shall be made between the dates of April 1, 2010, and June 30, 2020. No taxpayer who has claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4 shall be eligible for the subtraction under this subdivision for an investment in the same business.
25. For taxable years beginning on and after January 1, 2014, any income of an account holder for the taxable year taxed as (i) a capital gain for federal income tax purposes attributable to such person's first-time home buyer savings account established pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36 and (ii) interest income or other income for federal income tax purposes attributable to such person's first-time home buyer savings account.
- Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any subtraction taken under this subdivision shall be subject to recapture in the taxable year or years in which moneys or funds withdrawn from the first-time home buyer savings account were used for any purpose other than the payment of eligible costs by or on behalf of a qualified beneficiary, as provided under § 36-174. The amount subject to recapture shall be a portion of the amount withdrawn in the taxable year that was used for other than the payment of eligible costs, computed by multiplying the amount withdrawn and used for other than the payment of eligible costs by the ratio of the aggregate earnings in the account at the time of the withdrawal to the total balance in the account at such time.
- However, recapture shall not apply to the extent of moneys or funds withdrawn that were (i) withdrawn by reason of the qualified beneficiary's death or disability; (ii) a disbursement of assets of the account pursuant to a filing for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 through 1330; or (iii) transferred from an account established pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36 into another account established pursuant to such chapter for the benefit of another qualified beneficiary.
- For purposes of this subdivision, "account holder," "eligible costs," "first-time home buyer savings account," and "qualified beneficiary" mean the same as those terms are defined in § 36-171.
26. For taxable years beginning on and after January 1, 2015, any income for the taxable year attributable to the discharge of a student loan solely by reason of the student's death. For purposes of this subdivision, "student loan" means the same as that term is defined under § 108(f) of the Internal Revenue Code.
27. a. Income, including investment services partnership interest income (otherwise known as investment partnership carried interest income), attributable to an investment in a Virginia venture capital account. To qualify for a subtraction under this subdivision, the investment shall be made on or after January 1, 2018, but before December 31, 2023. No subtraction shall be allowed under this subdivision for an investment in a company that is owned or operated by a family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision 24 or a tax credit under § 58.1-339.4 for the same investment.
- As used in this subdivision 27: "Qualified portfolio company" means a company that (i) has its principal place of business in the Commonwealth; (ii) has a primary purpose of production, sale, research, or development of a product or service other than the management or investment of capital; and (iii) provides equity in the company to the Virginia venture capital account in exchange for a capital investment.
- "Qualified portfolio company" does not include a company that is an individual or sole proprietorship.
- "Virginia venture capital account" means an investment fund that has been certified by the Department as a Virginia venture capital account. In order to be certified as a Virginia venture capital account, the operator of the investment fund shall register the investment fund with the Department prior to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed

to its fund in qualified portfolio companies and (ii) providing documentation that it employs at least one investor who has at least four years of professional experience in venture capital investment or substantially equivalent experience. "Substantially equivalent experience" includes, but is not limited to, an undergraduate degree from an accredited college or university in economics, finance, or a similar field of study. The Department may require an investment fund to provide documentation of the investor's training, education, or experience as deemed necessary by the Department to determine substantial equivalency. If the Department determines that the investment fund employs at least one investor with the experience set forth herein, the Department shall certify the investment fund as a Virginia venture capital account at such time as the investment fund actually invests at least 50 percent of the capital committed to its fund in qualified portfolio companies.

28. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for a subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by a family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision 24 or 27 or a tax credit under § 58.1-339.4 for the same investment.

b. As used in this subdivision 28: "Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of § 2.2-115.

"Double distressed" means satisfying the criteria applicable to a locality described in subdivision E 3 of § 2.2-115.

"Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C. § 856, that has been certified by the Department as a Virginia real estate investment trust.

In order to be certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed. If the Department determines that the trust satisfies the preceding criteria, the Department shall certify the trust as a Virginia real estate investment trust at such time as the trust actually invests at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed.

29. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking of real property by condemnation proceedings.

30. For taxable years beginning before January 1, 2021, up to \$100,000 of all grant funds received by the taxpayer under the Rebuild Virginia program established by the Governor and administered by the Department of Small Business and Supplier Diversity.

31. For taxable years beginning on and after January 1, 2022, any compensation for wrongful incarceration awarded pursuant to the procedures established under Article 18.2 (§ 8.01-195.10 et seq.) of Chapter 3 of Title 8.01."

**22. That the provisions of the twentieth enactment of this Act shall take effect for the 2024 tax year contingent on the Auditor of Public Accounts certifying individual withholding growth of at least the growth rate in the official revenue estimate contained in this Act for the six month period of July 2023 through December 2023. The Auditor of Public Accounts shall complete the certification no later than January 22, 2024. If withholding collection growth is not met for such six month period, the standard deduction for taxable years beginning on and after January 1, 2024, but before January 1, 2026, shall be \$8,000 for single individuals and \$16,000 for married persons.**

**23. That §§ 58.1-322.03 and 58.1-402 of the Code of Virginia are amended and reenacted as follows:**

**§ 58.1-322.03. (See Acts 2022, Sp. Sess. I, c. 2, cl. 7 and cl. 8 for contingencies) Virginia taxable income; deductions.**

In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia adjusted gross income as defined in § 58.1-321:

1. a. The amount allowable for itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on such federal return and increased by an amount that, when added to the amount deducted under § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes at a rate of 18 cents per mile; or

b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026, \$3,000 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); (ii) for taxable years beginning on and after January 1, 2019, but before January 1, 2022, \$4,500 for single individuals and \$9,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); and (iii) for taxable years beginning on and after January 1, 2022, but before January 1, 2026, \$8,000 for single individuals and \$16,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return). For purposes of this section, any person who may be claimed as a dependent



- 1 on another taxpayer's return for the taxable year may compute the deduction only with respect to earned income.
- 2 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for federal income tax purposes.
- 3 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be entitled to an additional personal  
4 exemption in the amount of \$800.
- 5 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be allowable regardless of whether the  
6 taxpayer itemizes deductions for the taxable year for federal income tax purposes.
- 7 3. A deduction equal to the amount of employment-related expenses upon which the federal credit is based under § 21 of the Internal  
8 Revenue Code for expenses for household and dependent care services necessary for gainful employment.
- 9 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under permanent foster care placement  
10 as defined in § 63.2-908, provided that the taxpayer can also claim the child as a personal exemption under § 151 of the Internal  
11 Revenue Code.
- 12 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.
- 13 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have attained the age of 65. This deduction  
14 shall be reduced by \$1 for every \$1 that the taxpayer's adjusted federal adjusted gross income exceeds \$50,000 for single taxpayers or  
15 \$75,000 for married taxpayers. For married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total  
16 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.
- 17 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted gross income minus any benefits  
18 received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the  
19 Internal Revenue Code, as amended.
- 20 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow donor, if (i) the individual is not  
21 reimbursed for such fee or (ii) the individual has not claimed a deduction for the payment of such fee on his federal income tax return.
- 22 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed during the taxable year for a  
23 prepaid tuition contract or college savings trust account entered into with the Virginia College Savings Plan, pursuant to Chapter 7 (§  
24 23.1-700 et seq.) of Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in any  
25 taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust account. No deduction shall be allowed  
26 pursuant to this subdivision 7 if such payments or contributions are deducted on the purchaser's or contributor's federal income tax  
27 return. If the purchase price or annual contribution to a college savings trust account exceeds \$4,000, the remainder may be carried  
28 forward and subtracted in future taxable years until the purchase price or college savings trust contribution has been fully deducted;  
29 however, except as provided in subdivision b, in no event shall the amount deducted in any taxable year exceed \$4,000 per contract or  
30 college savings trust account. Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any deduction taken  
31 hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are made for any reason other than  
32 (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the beneficiary's death,  
33 disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser" or "contributor" means the person shown as  
34 such on the records of the Virginia College Savings Plan as of December 31 of the taxable year. In the case of a transfer of ownership  
35 of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's tax attributes associated  
36 with a prepaid tuition contract or college savings trust account, including, but not limited to, carryover and recapture of deductions.
- 37 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has attained age 70 shall not be subject  
38 to the limitation that the amount of the deduction not exceed \$4,000 per prepaid tuition contract or college savings trust account in any  
39 taxable year. Such taxpayer shall be allowed a deduction for the full amount paid for the contract or contributed to a college savings  
40 trust account, less any amounts previously deducted.
- 41 8. The total amount an individual actually contributed in funds to the Virginia Public School Construction Grants Program and Fund,  
42 established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1, provided that the individual has not claimed a deduction for such  
43 amount on his federal income tax return.
- 44 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a primary or secondary school teacher  
45 licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 to attend continuing teacher education courses that are required as a  
46 condition of employment; however, the deduction provided by this subdivision shall be available only if (i) the individual is not  
47 reimbursed for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition costs on his federal  
48 income tax return.
- 49 10. The amount an individual pays annually in premiums for long-term health care insurance, provided that the individual has not  
50 claimed a deduction for federal income tax purposes, or, for taxable years beginning before January 1, 2014, a credit under § 58.1-  
51 339.11. For taxable years beginning on and after January 1, 2014, no such deduction for long-term health care insurance premiums paid  
52 by the individual during the taxable year shall be allowed if the individual has claimed a federal income tax deduction for such taxable  
53 year for long-term health care insurance premiums paid by him.

11.a. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows: a. If the payment is received in installment payments, then the recognized gain may be subtracted in the taxable year immediately following the year in which the installment payment is received.

12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the following items of tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12 months of such donation, provided that the donor has not taken a medical deduction in accordance with the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or older with earned income of at least \$20,000 for the year and federal adjusted gross income not in excess of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to this chapter.

15. *Business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code:*

a. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20 percent of *such disallowed business interest; disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code.*

b. For taxable years beginning on and after January 1, 2022, *but before January 1, 2024*, 30 percent of *such disallowed business interest; disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code.*

c. *For taxable years beginning on and after January 1, 2024, 50 percent of such disallowed business interest.*

For purposes of this subdivision 15, "business interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the Internal Revenue Code.

17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not deductible when computing federal adjusted gross income solely on account of the portion of subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, the lesser of \$500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel, or student aide serving accredited public or private primary and secondary school students in Virginia, and "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator during the taxable year for participation in professional development courses and the purchase of books, supplies, computer equipment (including related software and services), other educational and teaching equipment, and supplementary materials used directly in that individual's service to students as an eligible educator, provided that such purchases were neither reimbursed nor claimed as a deduction on the eligible educator's federal income tax return for such taxable year.

**1 58.1-402. Virginia taxable income.**

**2** A. For purposes of this article, Virginia taxable income for a taxable year means the federal taxable income and any other income  
**3** taxable to the corporation under federal law for such year of a corporation adjusted as provided in subsections B, C, D, E, G, and H.

**4** For a regulated investment company and a real estate investment trust, such term means the "investment company taxable income" and  
**5** "real estate investment trust taxable income," respectively, to which shall be added in each case any amount of capital gains and any  
**6** other income taxable to the corporation under federal law which shall be further adjusted as provided in subsections B, C, D, E, G, and  
**7** H.

**8** B. There shall be added to the extent excluded from federal taxable income:

**9** 1. Interest, less related expenses to the extent not deducted in determining federal taxable income, on obligations of any state other than  
**10** Virginia, or of a political subdivision of any such other state unless created by compact or agreement to which the Commonwealth is a  
**11** party;

**12** 2. Interest or dividends, less related expenses to the extent not deducted in determining federal taxable income, on obligations or  
**13** securities of any authority, commission or instrumentality of the United States, which the laws of the United States exempt from federal  
**14** income tax but not from state income taxes;

**15** 3. [Repealed.]

**16** 4. The amount of any net income taxes and other taxes, including franchise and excise taxes, which are based on, measured by, or  
**17** computed with reference to net income, imposed by the Commonwealth or any other taxing jurisdiction, to the extent deducted in  
**18** determining federal taxable income;

**19** 5. Unrelated business taxable income as defined by § 512 of the Internal Revenue Code;

**20** 6. [Repealed.]

**21** 7. The amount required to be included in income for the purpose of computing the partial tax on an accumulation distribution pursuant  
**22** to § 667 of the Internal Revenue Code;

**23** 8. a. For taxable years beginning on and after January 1, 2004, the amount of any intangible expenses and costs directly or indirectly  
**24** paid, accrued, or incurred to, or in connection directly or indirectly with one or more direct or indirect transactions with one or more  
**25** related members to the extent such expenses and costs were deductible or deducted in computing federal taxable income for Virginia  
**26** purposes. This addition shall not be required for any portion of the intangible expenses and costs if one of the following applies:

**27** (1) The corresponding item of income received by the related member is subject to a tax based on or measured by net income or capital  
**28** imposed by Virginia, another state, or a foreign government that has entered into a comprehensive tax treaty with the United States  
**29** government;

**30** (2) The related member derives at least one-third of its gross revenues from the licensing of intangible property to parties who are not  
**31** related members, and the transaction giving rise to the expenses and costs between the corporation and the related member was made at  
**32** rates and terms comparable to the rates and terms of agreements that the related member has entered into with parties who are not  
**33** related members for the licensing of intangible property; or

**34** (3) The corporation can establish to the satisfaction of the Tax Commissioner that the intangible expenses and costs meet both of the  
**35** following: (i) the related member during the same taxable year directly or indirectly paid, accrued or incurred such portion to a person  
**36** who is not a related member, and (ii) the transaction giving rise to the intangible expenses and costs between the corporation and the  
**37** related member did not have as a principal purpose the avoidance of any portion of the tax due under this chapter.

**38** b. A corporation required to add to its federal taxable income intangible expenses and costs pursuant to subdivision a may petition the  
**39** Tax Commissioner, after filing the related income tax return for the taxable year and remitting to the Tax Commissioner all taxes,  
**40** penalties, and interest due under this article for such taxable year including tax upon any amount of intangible expenses and costs  
**41** required to be added to federal taxable income pursuant to subdivision a, to consider evidence relating to the transaction or transactions  
**42** between the corporation and a related member or members that resulted in the corporation's taxable income being increased, as required  
**43** under subdivision a, for such intangible expenses and costs.

**44** If the corporation can demonstrate to the Tax Commissioner's sole satisfaction, by clear and convincing evidence, that the transaction  
**45** or transactions between the corporation and a related member or members resulting in such increase in taxable income pursuant to  
**46** subdivision a had a valid business purpose other than the avoidance or reduction of the tax due under this chapter, the Tax  
**47** Commissioner shall permit the corporation to file an amended return.

**48** For purposes of such amended return, the requirements of subdivision a shall not apply to any transaction for which the Tax  
**49** Commissioner is satisfied (and has identified) that the transaction had a valid business purpose other than the avoidance or reduction of  
**50** the tax due under this chapter. Such amended return shall be filed by the corporation within one year of the written permission granted



by the Tax Commissioner and any refund of the tax imposed under this article shall include interest at a rate equal to the rate of interest established under § 58.1-15 and such interest shall accrue as provided under § 58.1-1833. However, upon the filing of such amended return, any related member of the corporation that subtracted from taxable income amounts received pursuant to subdivision C 21 shall be subject to the tax imposed under this article on that portion of such amounts for which the corporation has filed an amended return pursuant to this subdivision. In addition, for such transactions identified by the Tax Commissioner herein by which he has been satisfied by clear and convincing evidence, the Tax Commissioner may permit the corporation in filing income tax returns for subsequent taxable years to deduct the related intangible expenses and costs without making the adjustment under subdivision a.

The Tax Commissioner may charge a fee for all direct and indirect costs relating to the review of any petition pursuant to this subdivision, to include costs necessary to secure outside experts in evaluating the petition. The Tax Commissioner may condition the review of any petition pursuant to this subdivision upon payment of such fee.

No suit for the purpose of contesting any action of the Tax Commissioner under this subdivision shall be maintained in any court of this Commonwealth.

c. Nothing in subdivision B 8 shall be construed to limit or negate the Department's authority under § 58.1-446;

9. a. For taxable years beginning on and after January 1, 2004, the amount of any interest expenses and costs directly or indirectly paid, accrued, or incurred to, or in connection directly or indirectly with one or more direct or indirect transactions with one or more related members to the extent such expenses and costs were deductible or deducted in computing federal taxable income for Virginia purposes. This addition shall not be required for any portion of the interest expenses and costs, if:

(1) The related member has substantial business operations relating to interest-generating activities, in which the related member pays expenses for at least five full-time employees who maintain, manage, defend or are otherwise responsible for operations or administration relating to the interest-generating activities; and

(2) The interest expenses and costs are not directly or indirectly for, related to or in connection with the direct or indirect acquisition, maintenance, management, sale, exchange, or disposition of intangible property; and

(3) The transaction giving rise to the expenses and costs between the corporation and the related member has a valid business purpose other than the avoidance or reduction of taxation and payments between the parties are made at arm's length rates and terms; and

(4) One of the following applies:

(i) The corresponding item of income received by the related member is subject to a tax based on or measured by net income or capital imposed by Virginia, another state, or a foreign government that has entered into a comprehensive tax treaty with the United States government;

(ii) Payments arise pursuant to a pre-existing contract entered into when the parties were not related members provided the payments continue to be made at arm's length rates and terms;

(iii) The related member engages in transactions with parties other than related members that generate revenue in excess of \$2 million annually; or

(iv) The transaction giving rise to the interest payments between the corporation and a related member was done at arm's length rates and terms and meets any of the following: (a) the related member uses funds that are borrowed from a party other than a related member or that are paid, incurred or passed-through to a person who is not a related member; (b) the debt is part of a regular and systematic funds management or portfolio investment activity conducted by the related member, whereby the funds of two or more related members are aggregated for the purpose of achieving economies of scale, the internal financing of the active business operations of members, or the benefit of centralized management of funds; (c) financing the expansion of the business operations; or (d) restructuring the debt of related members, or the pass-through of acquisition-related indebtedness to related members.

b. A corporation required to add to its federal taxable income interest expenses and costs pursuant to subdivision a may petition the Tax Commissioner, after filing the related income tax return for the taxable year and remitting to the Tax Commissioner all taxes, penalties, and interest due under this article for such taxable year including tax upon any amount of interest expenses and costs required to be added to federal taxable income pursuant to subdivision a, to consider evidence relating to the transaction or transactions between the corporation and a related member or members that resulted in the corporation's taxable income being increased, as required under subdivision a, for such interest expenses and costs.

If the corporation can demonstrate to the Tax Commissioner's sole satisfaction, by clear and convincing evidence, that the transaction or transactions between the corporation and a related member or members resulting in such increase in taxable income pursuant to subdivision a had a valid business purpose other than the avoidance or reduction of the tax due under this chapter and that the related payments between the parties were made at arm's length rates and terms, the Tax Commissioner shall permit the corporation to file an amended return. For purposes of such amended return, the requirements of subdivision a shall not apply to

any transaction for which the Tax Commissioner is satisfied (and has identified) that the transaction had a valid business purpose other than the avoidance or reduction of the tax due under this chapter and that the related payments between the parties were made at arm's length rates and terms. Such amended return shall be filed by the corporation within one year of the written permission granted by the Tax Commissioner and any refund of the tax imposed under this article shall include interest at a rate equal to the rate of interest established under § 58.1-15 and such interest shall accrue as provided under § 58.1-1833. However, upon the filing of such amended return, any related member of the corporation that subtracted from taxable income amounts received pursuant to subdivision C 21 shall be subject to the tax imposed under this article on that portion of such amounts for which the corporation has filed an amended return pursuant to this subdivision. In addition, for such transactions identified by the Tax Commissioner herein by which he has been satisfied by clear and convincing evidence, the Tax Commissioner may permit the corporation in filing income tax returns for subsequent taxable years to deduct the related interest expenses and costs without making the adjustment under subdivision a.

The Tax Commissioner may charge a fee for all direct and indirect costs relating to the review of any petition pursuant to this subdivision, to include costs necessary to secure outside experts in evaluating the petition. The Tax Commissioner may condition the review of any petition pursuant to this subdivision upon payment of such fee.

No suit for the purpose of contesting any action of the Tax Commissioner under this subdivision shall be maintained in any court of this Commonwealth.

c. Nothing in subdivision B 9 shall be construed to limit or negate the Department's authority under § 58.1-446.

d. For purposes of subdivision B 9:

"Arm's-length rates and terms" means that (i) two or more related members enter into a written agreement for the transaction, (ii) such agreement is of a duration and contains payment terms substantially similar to those that the related member would be able to obtain from an unrelated entity, (iii) the interest is at or below the applicable federal rate compounded annually for debt instruments under § 1274(d) of the Internal Revenue Code that was in effect at the time of the agreement, and (iv) the borrower or payor adheres to the payment terms of the agreement governing the transaction or any amendments thereto.v"Valid business purpose" means one or more business purposes that alone or in combination constitute the motivation for some business activity or transaction, which activity or transaction improves, apart from tax effects, the economic position of the taxpayer, as further defined by regulation.

10. a. For taxable years beginning on and after January 1, 2009, the amount of dividends deductible under §§ 561 and 857 of the Internal Revenue Code by a Captive Real Estate Investment Trust (REIT). For purposes of this subdivision, a REIT is a Captive REIT if:

(1) It is not regularly traded on an established securities market;

(2) More than 50 percent of the voting power or value of beneficial interests or shares of which, at any time during the last half of the taxable year, is owned or controlled, directly or indirectly, by a single entity that is (i) a corporation or an association taxable as a corporation under the Internal Revenue Code; and (ii) not exempt from federal income tax pursuant to § 501(a) of the Internal Revenue Code; and

(3) More than 25 percent of its income consists of rents from real property as defined in § 856(d) of the Internal Revenue Code.

b. For purposes of applying the ownership test of subdivision 10 a (2), the following entities shall not be considered a corporation or an association taxable as a corporation:

(1) Any REIT that is not treated as a Captive REIT;

(2) Any REIT subsidiary under § 856 of the Internal Revenue Code other than a qualified REIT subsidiary of a Captive REIT;

(3) Any Listed Australian Property Trust, or an entity organized as a trust, provided that a Listed Australian Property Trust owns or controls, directly or indirectly, 75 percent or more of the voting or value of the beneficial interests or shares of such trust; and

(4) Any Qualified Foreign Entity.

c. For purposes of subdivision B 10, the constructive ownership rules prescribed under § 318(a) of the Internal Revenue Code, as modified by § 856(d)(5) of the Internal Revenue Code, shall apply in determining the ownership of stock, assets, or net profits of any person.

d. For purposes of subdivision B 10:

"Listed Australian Property Trust" means an Australian unit trust registered as a Management Investment Scheme, pursuant to the Australian Corporations Act, in which the principal class of units is listed on a recognized stock exchange in Australia and is regularly traded on an established securities market.

"Qualified Foreign Entity" means a corporation, trust, association or partnership organized outside the laws of the United States and that satisfies all of the following criteria:

(1) At least 75 percent of the entity's total asset value at the close of its taxable year is represented by real estate assets, as defined in § 856(c)(5)(B) of the Internal Revenue Code, thereby including shares or certificates of beneficial interest in any REIT, cash and cash equivalents, and U.S. Government securities;

(2) The entity is not subject to a tax on amounts distributed to its beneficial owners, or is exempt from entity level tax;

(3) The entity distributes, on an annual basis, at least 85 percent of its taxable income, as computed in the jurisdiction in which it is organized, to the holders of its shares or certificates of beneficial interest;

(4) The shares or certificates of beneficial interest of such entity are regularly traded on an established securities market or, if not so traded, not more than 10 percent of the voting power or value in such entity is held directly, indirectly, or constructively by a single entity or individual; and

(5) The entity is organized in a country that has a tax treaty with the United States.

e. For taxable years beginning on or after January 1, 2016, for purposes of subdivision B 10, any voting power or value of the beneficial interests or shares in a REIT that is held in a segregated asset account of a life insurance corporation as described in § 817 of the Internal Revenue Code shall not be taken into consideration when determining if such REIT is a Captive REIT.

1. For taxable years beginning on or after January 1, 2016, to the extent that tax credit is allowed for the same donation pursuant to § 58.1-439.12:12, any amount claimed as a federal income tax deduction for such donation under § 170 of the Internal Revenue Code, as amended or renumbered.

C. There shall be subtracted to the extent included in and not otherwise subtracted from federal taxable income:

1. Income derived from obligations, or on the sale or exchange of obligations, of the United States and on obligations or securities of any authority, commission or instrumentality of the United States to the extent exempt from state income taxes under the laws of the United States including, but not limited to, stocks, bonds, treasury bills, and treasury notes, but not including interest on refunds of federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

2. Income derived from obligations, or on the sale or exchange of obligations of this Commonwealth or of any political subdivision or instrumentality of this Commonwealth.

3. Dividends upon stock in any domestic international sales corporation, as defined by § 992 of the Internal Revenue Code, 50 percent or more of the income of which was assessable for the preceding year, or the last year in which such corporation has income, under the provisions of the income tax laws of the Commonwealth.

4. The amount of any refund or credit for overpayment of income taxes imposed by this Commonwealth or any other taxing jurisdiction.

5. Any amount included therein by the operation of the provisions of § 78 of the Internal Revenue Code (foreign dividend gross-up).

6. The amount of wages or salaries eligible for the federal Targeted Jobs Credit which was not deducted for federal purposes on account of the provisions of § 280C(a) of the Internal Revenue Code.

7. Any amount included therein by the operation of § 951 of the Internal Revenue Code (subpart F income) or, for taxable years beginning on and after January 1, 2018, § 951A of the Internal Revenue Code (Global Intangible Low-Taxed Income).

8. Any amount included therein which is foreign source income as defined in § 58.1-302.

9. [Repealed.]

10. The amount of any dividends received from corporations in which the taxpaying corporation owns 50 percent or more of the voting stock.

11. [Repealed.]

12, 13. [Expired.]

14. For taxable years beginning on or after January 1, 1995, the amount for "qualified research expenses" or "basic research expenses" eligible for deduction for federal purposes, but which were not deducted, on account of the provisions of § 280C(c) of the Internal Revenue Code.

15. For taxable years beginning on or after January 1, 2000, the total amount actually contributed in funds to the Virginia Public School Construction Grants Program and Fund established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1.

16. For taxable years beginning on or after January 1, 2000, but before January 1, 2015, the gain derived from the sale or exchange of real property or the sale or exchange of an easement to real property which results in the real property or the easement

thereto being devoted to open-space use, as that term is defined in § 58.1-3230, for a period of time not less than 30 years. To the extent a subtraction is taken in accordance with this subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for three years following the year in which the subtraction is taken.

17. For taxable years beginning on and after January 1, 2001, any amount included therein with respect to § 58.1-440.1.

18. For taxable years beginning on and after January 1, 1999, income received as a result of (i) the "Master Settlement Agreement," as defined in § 3.2-3100; and (ii) the National Tobacco Grower Settlement Trust dated July 19, 1999, by (a) tobacco farming businesses; (b) any business holding a tobacco marketing quota, or tobacco farm acreage allotment, under the Agricultural Adjustment Act of 1938; or (c) any business having the right to grow tobacco pursuant to such a quota allotment.

19, 20. [Repealed.]

21. For taxable years beginning on and after January 1, 2004, any amount of intangible expenses and costs or interest expenses and costs added to the federal taxable income of a corporation pursuant to subdivision B 8 or B 9 shall be subtracted from the federal taxable income of the related member that received such amount if such related member is subject to Virginia income tax on the same amount.

22. For taxable years beginning on and after January 1, 2009, any gain recognized from the sale of launch services to space flight participants, as defined in 49 U.S.C. § 70102, or launch services intended to provide individuals the training or experience of a launch, without performing an actual launch. To qualify for a deduction under this subdivision, launch services must be performed in Virginia or originate from an airport or spaceport in Virginia.

23. For taxable years beginning on and after January 1, 2009, any gain recognized as a result of resupply services contracts for delivering payload, as defined in 49 U.S.C. § 70102, entered into with the Commercial Orbital Transportation Services division of the National Aeronautics and Space Administration or other space flight entity, as defined in § 8.01-227.8, and launched from an airport or spaceport in Virginia.

24. For taxable years beginning on or after January 1, 2011, any income taxed as a long-term capital gain for federal income tax purposes, or any income taxed as investment services partnership interest income (otherwise known as investment partnership carried interest income) for federal income tax purposes. To qualify for a subtraction under this subdivision, such income must be attributable to an investment in a "qualified business," as defined in § 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided the business has its principal office or facility in the Commonwealth and less than \$3 million in annual revenues in the fiscal year prior to the investment. To qualify for a subtraction under this subdivision, the investment must be made between the dates of April 1, 2010, and June 30, 2020. No taxpayer who has claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4 shall be eligible for the subtraction under this subdivision for an investment in the same business.

b. As used in this subdivision 25:

"Qualified portfolio company" means a company that (i) has its principal place of business in the Commonwealth; (ii) has a primary purpose of production, sale, research, or development of a product or service other than the management or investment of capital; and (iii) provides equity in the company to the Virginia venture capital account in exchange for a capital investment. "Qualified portfolio company" does not include a company that is an individual or sole proprietorship.

"Virginia venture capital account" means an investment fund that has been certified by the Department as a Virginia venture capital account. In order to be certified as a Virginia venture capital account, the operator of the investment fund shall register the investment fund with the Department prior to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed to its fund in qualified portfolio companies and (ii) providing documentation that it employs at least one investor who has at least four years of professional experience in venture capital investment or substantially equivalent experience. "Substantially equivalent experience" includes, but is not limited to, an undergraduate degree from an accredited college or university in economics, finance, or a similar field of study. The Department may require an investment fund to provide documentation of the investor's training, education, or experience as deemed necessary by the Department to determine substantial equivalency. If the Department determines that the investment fund employs at least one investor with the experience set forth herein, the Department shall certify the investment fund as a Virginia venture capital account at such time as the investment fund actually invests at least 50 percent of the capital committed to its fund in qualified portfolio companies.

26. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for a subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision C 24 or 25 for the same investment.

b. As used in this subdivision 26:

"Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of § 2.2-115.

"Double distressed" means satisfying the criteria applicable to a locality described in subdivision E 3 of § 2.2-115.

"Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C. § 856, that has been certified by the Department as a Virginia real estate investment trust. In order to be certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed. If the Department determines that the trust satisfies the preceding criteria, the Department shall certify the trust as a Virginia real estate investment trust at such time as the trust actually invests at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed.

27. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking of real property by condemnation proceedings.

28. For taxable years beginning before January 1, 2021, up to \$100,000 of all grant funds received by the taxpayer under the Rebuild Virginia program established by the Governor and administered by the Department of Small Business and Supplier Diversity.

D. For taxable years beginning on and after January 1, 2006, there shall be subtracted from federal taxable income contract payments to a producer of quota tobacco or a tobacco quota holder as provided under the American Jobs Creation Act of 2004 (P.L. 108-357) as follows:

1. If the payment is received in installment payments, then the recognized gain, including any gain recognized in taxable year 2005, may be subtracted in the taxable year immediately following the year in which the installment payment is received.

2. If the payment is received in a single payment, then 10 percent of the recognized gain may be subtracted in the taxable year immediately following the year in which the single payment is received. The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

E. Adjustments to federal taxable income shall be made to reflect the transitional modifications provided in § 58.1-315.

F. Notwithstanding any other provision of law, the income from any disposition of real property which is held by the taxpayer for sale to customers in the ordinary course of the taxpayer's trade or business, as defined in § 453(l)(1)(B) of the Internal Revenue Code, of property made on or after January 1, 2009, may, at the election of the taxpayer, be recognized under the installment method described under § 453 of the Internal Revenue Code, provided that (i) the election relating to the dealer disposition of the property has been made on or before the due date prescribed by law (including extensions) for filing the taxpayer's return of the tax imposed under this chapter for the taxable year in which the disposition occurs, and (ii) the dealer disposition is in accordance with restrictions or conditions established by the Department, which shall be set forth in guidelines developed by the Department. Along with such restrictions or conditions, the guidelines shall also address the recapture of such income under certain circumstances. The development of the guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).

G. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, there shall be deducted to the extent included in and not otherwise subtracted from federal taxable income 20 percent a percentage of the business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code in the amount of:

1. 20 percent for For taxable years beginning on and after January 1, 2018, but before January 1, 2022;

2. ; there shall be deducted to the extent included in and not otherwise subtracted from federal taxable income 30 percent for taxable years beginning on and after January 1, 2022, but before January 1, 2024; and

3. 50 percent for taxable years beginning on and after January 1, 2024. of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code.

For purposes of this subsection G, "business interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

H. For taxable years beginning before January 1, 2021, there shall be deducted to the extent not otherwise subtracted from federal taxable income up to \$100,000 of the amount that is not deductible when computing federal taxable income solely on account of the portion of subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

24. That, notwithstanding any other provision of law or regulation, the retail sales and use tax exemption holidays authorized in subdivision 18 of § 58.1-609.1, § 58.1-611.2 and § 58.1-611.3 of the Code of Virginia, applicable to Energy Star or Watersense qualified products, school supplies, clothing and footwear, and certain hurricane preparedness equipment shall remain in effect through July 1, 2025; except that the retail sales and use tax exemption holidays so authorized for calendar year 2023 shall apply only to those sales occurring during the three-day period that begins on Friday, October 20, and ends at 11:59 p.m. on the following Sunday.

25. That the provisions of Chapters 1, 763, 772, and 791 of the Acts of Assembly of 2023 shall prevail over any conflicting provisions of the second enactment of this act, and § 4-13.00 of this act shall not be applicable with respect to any such conflict.



1 **26. That § 55.1-507. of the Code of Virginia is amended and reenacted as follows:**

2 **§ 55.1-507. Definitions.**

3 As used in this chapter, unless the context requires a different meaning:

4 "Agricultural land" means real estate in the Commonwealth used or zoned in a manner that would permit the use of the real estate for  
5 an agricultural operation.

6 "Agricultural operation" means any operation devoted to the bona fide production of crops, animals, or fowl, including the production  
7 of fruits and vegetables of any kind; meat, dairy, and poultry products; nuts, tobacco, nursery, and floral products; and the production  
8 and harvest of products from silvicultural activity.

9 "Department" means the Department of Agriculture and Consumer Services.

10 "Foreign adversary" means any foreign government or nongovernment person determined by the U.S. Secretary of Commerce to have  
11 engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or  
12 security and safety of United States persons, as set forth in 15 C.F.R. § 7.4 or such successor regulation, declaration, or statute as may  
13 exist from time to time.

14 "Interest in agricultural land" means any right, title, or interest, direct or indirect, in and to (i) agricultural land or (ii) any entity or other  
15 organization that holds any right, title, or interest, direct or indirect, in and to agricultural land. For purposes of this definition, any  
16 interest that taken on its own or together with any other interest held in common or under common control does not give the holder of  
17 the interest the ability to possess or occupy the agricultural land in any manner or the power or authority to direct the conduct of the  
18 agricultural operation being conducted on the agricultural land, *shall not be deemed an "interest in agricultural land" for purposes of*  
19 *this chapter.*

20 **27. That the Code of Virginia is amended by adding in Title 15.2 a chapter numbered 58.1, consisting of sections numbered 15.2-**  
21 **5824 through 15.2-5842, as follows:**

#### 22 **CHAPTER 58.1.**

#### 23 **VIRGINIA SPORTS AND ENTERTAINMENT AUTHORITY.**

24 **§ 15.2-5824. Definitions.**

25 As used in this chapter, unless the context requires a different meaning:

26 "Affiliate" means any person that is owned entirely or in part by a company or is an affiliate, assignee, employee, or agent of a  
27 company or is otherwise selected by a company to exercise any rights or undertake any obligations of the company that may be granted  
28 or established pursuant to this chapter.

29 "Authority" means the Virginia Sports and Entertainment Authority.

30 "Campus" means the land, buildings, facilities, and other development from which revenues will be generated for the Authority.  
31 Facilities include without limitation (i) a sports arena capable of hosting professional sports games; (ii) a performance venue, (iii) a  
32 public plaza located between the arena and the performance venue; (iv) hotel developments, (v) retail, food, and beverage  
33 developments, including whether fixed or mobile; (vi) office building development that includes space for company headquarters and  
34 other entities ; (vii) areas for practices and training of professional sports teams; (viii) areas for broadcasting production; (ix) onsite  
35 underground parking of at least 2,500 parking spaces; (x) residential buildings; (xi) parks and other public open spaces; and (xii)  
36 related on-site infrastructure necessary or desirable for all such elements for the campus.

37 "City" means the City of Alexandria, Virginia.

38 "Company" means a sports and entertainment company that has entered into a lease with the Authority pursuant to § 15.2-5830.

39 "Corporate income tax revenues" means corporate income tax revenues as estimated by the Tax Commissioner under Article 10 (§  
40 58.1-400 et seq.) of Chapter 3 of Title 58.1 from the company or any professional sports team or any affiliates thereof based on income  
41 generated on the campus, also including revenues generated in connection with the development and construction of the campus. Upon  
42 the recommendation of the Authority, and the written approval of the Governor, "corporate income tax revenues" shall also include  
43 corporate income tax revenues generated by other business entities new to the Commonwealth that locate on the campus. The Tax  
44 Commissioner shall calculate such revenues by multiplying the estimated tax payment of any corporation as required under Article 20  
45 (§ 58.1-500 et seq.) of Chapter 3 of Title 58.1 generating income as described herein by the ratio of their gross revenues from the  
46 activities as described herein to gross revenues from all activities in Virginia.

47 "Eligible expenses" means the reasonable expenses necessary for the Authority to carry out responsibilities set forth under this

1 chapter.

2 "Excess funds" means any moneys available to the Authority in the Fund after the accounts set forth in subsection B of § 15.2-  
3 5833 have been sufficiently funded.

4 "Fund" means the Virginia Sports and Entertainment Authority Financing Fund.

5 "Pass-through entity tax revenues" means income tax revenues as estimated by the Tax Commissioner according to the provisions  
6 of Article 9 (§ 58.1-390.1 et seq.) of Chapter 3 of Title 58.1 from any pass-through entity, as defined in § 58.1-390.1, generated  
7 from the company or any professional sports team or any affiliates thereof based on income generated on the campus, including  
8 revenues generated in connection with the development and construction of the campus.

9 "Person" means a person as defined in § 1-230, except that the term does not include the Commonwealth or any of its political  
10 subdivisions or any agency or instrumentality thereof.

11 "Personal income tax revenues" means personal income tax revenues as estimated by the Tax Commissioner from individuals  
12 under Article 2 (§ 58.1-320 et seq.) of Chapter 3 of Title 58.1 based on salaries, wages, and other income generated through  
13 employment or the conduct of a trade or business in or on the campus. The Tax Commissioner shall calculate such revenues by  
14 multiplying wages and salaries described by the average effective tax rate calculated by the Department of Taxation for the prior  
15 taxable year.

16 "Professional sports team" means a sports team affiliated with the National Basketball Association, the National Hockey League,  
17 or any other similar professional sports association, league, or group.

18 "Sales tax revenues" means tax collections under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), as limited herein,  
19 and as may be amended, generated by construction and transactions taking place on the campus. For purposes of this chapter,  
20 "sales tax revenues" does not include (i) the 0.5 percent sales and use tax increase enacted by the 1986 Special Session of the  
21 General Assembly that shall be paid into the Commonwealth Transportation Fund as defined in § 33.2-1524; (ii) the one percent  
22 of the state sales and use tax revenue distributed among the counties and cities of the Commonwealth pursuant to subsection D of  
23 § 58.1-638 on the basis of school-age population; (iii) any sales and use tax revenues generated by increases or allocation  
24 changes imposed by the 2013 Session of the General Assembly; (iv) any sales and use tax revenues distributed pursuant to  
25 subsection F of § 58.1-638; (v) the additional state sales and use tax in certain counties and cities assessed pursuant to subsection  
26 B of § 58.1-603.1 and subsection B of § 58.1-604.01; (vi) the additional state sales and use tax in certain counties and cities of  
27 historic significance imposed under § 58.1-603.2; (vii) the local sales and use tax imposed under §§ 58.1-605 and 58.1-606,  
28 unless remitted to the Authority under the provisions of subsection B of § 15.2-5835; and (viii) the local sales and use tax imposed  
29 under §§ 58.1-605.1 and 58.1-606.1 and used for the construction or renovation of schools.

30 "Sufficiently funded" means that the accounts established pursuant to subsection B of § 15.2-5833 have adequate funds to meet  
31 the needs of the Authority to maintain the campus and honor its contractual commitments and obligations, including debt service  
32 obligations. Whether the accounts are sufficiently funded shall be determined based on criteria adopted by the Authority, as well  
33 as the terms set forth in bond and other financing documents entered into by the Authority.

34 § 15.2-5825. Creation of Authority.

35 There is hereby established a body corporate and politic known as the Virginia Sports and Entertainment Authority. The Authority  
36 is a political subdivision of the Commonwealth. It shall be the principal duty of the Authority to ensure the construction,  
37 operational, and financial viability of the facilities, to service the bonds issued by the Authority, and to ensure compliance with all  
38 terms and conditions of contracts, memoranda of understanding, and other agreements entered into regarding the campus.

39 § 15.2-5826. Members of Authority; chairman; terms.

40 A. The Authority shall consist of nine members. Six members shall be appointed by the Governor, and three members shall be  
41 appointed by the governing body of the City. The Governor shall designate one of the members as chairman. The members of the  
42 Authority annually shall elect a vice-chairman from their membership who shall perform the duties of the chairman in the  
43 chairman's absence. The appointments of the members by the Governor pursuant to this section shall be confirmed in accordance  
44 with § 2.2-107.

45 B.1. Of the members appointed by the Governor (i) one shall be a lawyer with at least 15 years' experience with advisory  
46 experience in creating and operating public-private real estate partnerships involving the issuance of public debt, (ii) one shall be  
47 an active or recently retired chief executive officer of a public or private company with revenues greater than \$500 million with a  
48 preference for experience in sectors associated with the sports or entertainment industries, (iii) one shall be an owner or chief  
49 executive officer of a commercial construction or commercial development company, (iv) one shall be a senior executive with  
50 financial services experience in public or private finance at a national financial services company, and (v) two shall be  
51 individuals with the education, business experience, and skills necessary to execute the duties and responsibilities of a member of  
52 the Authority.

53 2. Of the members appointed by the governing body of the City, (i) one shall be a developer and operator of a large-scale mixed-

1 use development with experience in retail, hotel, hospitality, and entertainment sectors, and (ii) two shall be an individual with the  
2 education, experience, and skills necessary to execute the duties and responsibilities of a member of the Authority.

3 C. After the initial staggering of terms, members shall serve a term of four years. No member shall be eligible to serve for more than  
4 two successive terms.

5 D. At the end of a term, a member shall continue to serve until a successor is appointed and qualifies. A member who is appointed after  
6 a term has begun shall serve for the remainder of the term and shall be eligible to be reappointed for a full term at the expiration of  
7 such term. Upon the end of the term of a member, or upon the resignation or removal of a member, the original appointing authority  
8 shall appoint a member to the Authority. The Governor may remove a member for cause in accordance with § 2.2-108. The members of  
9 the Authority shall receive no compensation for their services, but a member may be reimbursed by the Authority for reasonable  
10 expenses actually incurred in the performance of the duties of that office.

11 § 15.2-5827. Quorum; actions of Authority; meetings.

12 The Authority shall meet at least quarterly. Five members of the Authority, including at least one member appointed by the governing  
13 body of the City of Alexandria, shall constitute a quorum for the purpose of conducting business. Any action of the Authority shall  
14 require the affirmative vote of a majority of the quorum to be effective. No vacancy on the Authority shall impair the right of a quorum  
15 to exercise all rights and perform all the duties of the Authority. The Authority shall determine the times and places of its regular  
16 meetings. Special meetings of the Authority shall be held when requested by two or more members of the Authority. Any such request  
17 for a special meeting shall be in writing, and the request shall specify the time and place of the meeting and the matters to be  
18 considered at the meeting. A reasonable effort shall be made to provide each member with advance notice of any special meeting. No  
19 matter not specified in the notice shall be considered at such special meeting unless all the members of the Authority are present.

20 § 15.2-5828. Executive Director appointment; duties.

21 A. The Authority shall appoint an Executive Director, who shall report to, but not be a member of, the Authority. The Executive  
22 Director shall serve as the ex officio secretary of the Authority and shall administer, manage, and direct the Authority's affairs and  
23 activities in accordance with the policies adopted by and under the direction and control of the Authority.

24 B. In addition to any other duties set forth in this chapter, the Executive Director shall:

25 1. Attend all meetings and keep minutes of all proceedings;

26 2. Approve all accounts for salaries, per diem payments, and allowable expenses of the Authority and its independent contractors and  
27 approve all expenses incidental to the operation of the Authority;

28 3. Annually prepare and present a budget for approval by the Board. Throughout the year, the Executive Director shall monitor the  
29 Authority's fiscal performance relative to the budget and regularly deliver financial reports to the Authority regarding such  
30 performance;

31 4. Ensure proper execution of contracts, memoranda of understanding, and other such agreements and commitments of the Authority;  
and

32 5. Perform any other duty that the Authority requires for carrying out the provisions of this chapter.

33 § 15.2-5829. Powers.

34 In addition to the powers set forth elsewhere in this chapter, the Authority may:

35 1. Adopt and alter an official seal;

36 2. Sue and be sued in its own name;

37 3. Adopt bylaws, rules, and regulations to carry out the provisions of this chapter;

38 4. Maintain an office on the campus. Until such office space is constructed, the Authority shall maintain an office at such place as the  
39 Authority may designate;

40 5. Employ, either as regular employees or independent contractors, consultants, accountants, attorneys, financial experts, agents,  
41 managers and other professional personnel, and any other personnel as may be necessary in the judgment of the Authority to carry out  
42 its responsibilities as outlined in this chapter, and fix their compensation;

43 6. Proceed with any undertaking and enter into any contracts or agreements with the Commonwealth or any political subdivision  
44 thereof or any person as the Authority deems necessary or desirable to carry out the provisions of this chapter related to development  
45 of the campus;

46 7. Review the Authority's responsibilities under contracts, memoranda of understanding, and other similar agreements, and delegate



- 1 appropriate authority to the Executive Director to ensure that the provisions of such agreements are being efficiently, effectively,  
2 and prudently executed by the Executive Director and other staff.
- 3 8. Acquire, hold, lease, use, encumber, transfer, or dispose of real and personal property, including a lease of its property or any  
4 interest therein whatever the condition thereof, whether or not constructed or acquired, which is owned by the Authority, to a  
5 sports and entertainment company or its affiliate or other person as deemed necessary or desirable to carry out the provisions of  
6 this chapter, provided that any lease shall comply with § 15.2-5830;
- 7 9. Design, construct, reconstruct, improve, operate, and maintain the campus and any of its component buildings and facilities;
- 8 10. Fix, charge, and collect rates, fees, and charges for the use of, or the benefit derived from, the facilities provided, owned,  
9 operated, or financed by the Authority. Such rates, fees, and charges may be charged to and collected by such persons and in such  
10 manner as the Authority may determine from (i) any person using the facilities and (ii) the owners, tenants, or customers of the  
11 real estate and improvements that are served by, or benefit from the use of, any such facilities, in such manner as shall be  
12 authorized by the Authority in connection with the provision of such facilities;
- 13 11. Issue bonds under this chapter;
- 14 12. Borrow money;
- 15 13. Receive and accept from any source, private or public, contributions, gifts, or grants of money or property; and
- 16 14. Do all things necessary or convenient to carry out the powers granted by this chapter.
- 17 § 15.2-5830. Acquisition of property; lease agreement.
- 18 A. The Authority may acquire or otherwise use in its own name, by gift or purchase, any real or personal property, or interests in  
19 property, necessary or convenient to construct or operate the campus.
- 20 B. In any jurisdiction where planning, zoning, and development regulations may apply, the Authority shall comply with and is  
21 subject to those regulations to the same extent as a private commercial or industrial enterprise.
- 22 C. The Authority shall negotiate and enter into a lease agreement for all or a portion of the buildings and facilities located on the  
23 campus if the Authority finds that a company has committed to locate or relocate to the campus; and that such company and its  
24 affiliates have demonstrated to the satisfaction of the Authority that the company and its affiliates have the experience and  
25 financial resources to be able to successfully develop and operate the campus.
- 26 D. Any lease agreement for the campus entered into by the Authority with a company or its affiliates shall:
- 27 1. Provide for the payment of rent to the Authority, which shall be deposited into the Fund;
- 28 2. Provide for the payment of revenues, if any, generated by the company related to on-site underground parking on the campus to  
29 the Authority, which shall be deposited into the Fund;
- 30 3. Provide for the payment of revenues, if any, generated by the company for the sale of district naming rights at the campus to the  
31 Authority, which shall be deposited into the Fund;
- 32 4. Provide for the payment of revenues, if any, generated from the campus from other sources, including the sale of personal seat  
33 licenses, memberships, or other similar transactions, which shall be deposited in the Fund.
- 34 5. Grant the company and its affiliates full operational control of the campus;
- 35 6. Establish standards for the maintenance of, and capital reinvestment in, the campus throughout the term of the lease agreement  
36 that are necessary to support the Authority's financial obligations;
- 37 7. Have a term of no less than the term of the bonds sold pursuant to § 15.2-5831 for the construction and development of the  
38 campus;
- 39 8. Provide that if the company or its affiliates relocates after the operational date but before the expiration date of any lease  
40 entered into, the company will pay any outstanding principal, interest, and any other financing costs of all bonds issued under this  
41 chapter; and
- 42 9. Contain such other terms and conditions as deemed necessary and appropriate by the Authority and agreed to by the company  
43 that further the purpose of the Authority related to the financing of the campus.
- 44 § 15.2-5831. Bond issues.
- 45 A. The Authority may at any time and from time to time issue bonds to carry out any of the purposes of this chapter. As used in this  
46 chapter, "bonds" includes notes of any kind, interim certificates, refunding bonds, and any other evidence of obligation.

- 1 *B. The bonds of any issue shall be payable solely from the property or receipts of the Authority, or other security specifically pledged*  
2 *by the Authority to the payment thereof, including:*
- 3 *1. Taxes, fees, charges, lease payments, or other revenues payable to the Authority including amounts transferred from the Fund;*
- 4 *2. Payments by financial institutions, insurance companies, or others pursuant to letters or line of credit, policies of insurance, or*  
5 *purchase agreements;*
- 6 *3. Investment earnings from funds or accounts maintained pursuant to a bond resolution or trust agreement; and*
- 7 *4. Proceeds of refunding bonds.*
- 8 *C. Bonds shall be authorized by resolution of the Authority and may be secured by a trust agreement by and between the Authority and*  
9 *a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or outside the*  
10 *Commonwealth. The bonds shall:*
- 11 *1. Be issued at, above, or below par value, for cash or other valuable consideration, and mature at a time or times, whether as serial*  
12 *bonds or as term bonds or both, not exceeding 40 years from their respective dates of issue;*
- 13 *2. Bear interest at the fixed or variable rate or rates determined by the method provided in the resolution or trust agreement;*
- 14 *3. Be payable at a time or times, in the denominations and form, and carry the registration and privileges as to conversion and for the*  
15 *replacement of mutilated, lost, or destroyed bonds as the resolution or trust agreement may provide;*
- 16 *4. Be payable in lawful money of the United States at a designated place;*
- 17 *5. Be subject to the terms of purchase, payment, redemption, refunding, or refinancing that the resolution or trust agreement provides;*
- 18 *6. Be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority. Such signatures shall*  
19 *be valid at delivery even for one who has ceased to hold office; and*
- 20 *7. Be sold in the manner and upon the terms determined by the Authority, including private negotiated sale.*
- 21 *D. Any resolution or trust agreement may contain provisions that shall be a part of the contract with the holders of the bonds as to:*
- 22 *1. Pledging, assigning, or directing the use, investment, or disposition of receipts of the Authority or proceeds or benefits of any*  
23 *contract and conveying or otherwise securing any property rights;*
- 24 *2. The setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts, and sinking*  
25 *funds, and the regulation, investment, and disposition thereof;*
- 26 *3. Limitations on the purpose to which the proceeds of sale of any issue of bonds may be applied and restrictions to investments of such*  
27 *proceeds or revenues available to pay debt service;*
- 28 *4. Limitations on the issuance of additional bonds and the terms upon which additional bonds may be issued and secured and may rank*  
29 *on a parity with, or be subordinate or superior to, other bonds;*
- 30 *5. The refunding or refinancing of outstanding bonds;*
- 31 *6. The procedure, if any, by which the terms of any contract with bondholders may be altered or amended and the amount of bonds the*  
32 *holders of which must consent thereto, and the manner in which consent shall be given;*
- 33 *7. Defining the acts or omissions which shall constitute a default in the duties of the Authority to bondholders and providing the rights*  
34 *or remedies of such holders in the event of a default which may include provisions restricting individual right of action by bondholders;*
- 35 *8. Providing for guarantees, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders; and*
- 36 *9. Any other matter relating to the bonds which the Authority determines appropriate.*
- 37 *E. No member of the Authority nor any person executing the bonds on behalf of the Authority shall be liable personally for the bonds or*  
38 *subject to any personal liability by reason of the issuance of the bonds.*
- 39 *F. The Authority may enter into agreements with agents, banks, insurers, or others for the purpose of enhancing the marketability of, or*  
40 *as security for, its bonds.*
- 41 *G. A pledge by the Authority of revenues as security for an issue of bonds shall be valid and binding from the time the pledge is made.*  
42 *The revenues pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of*  
43 *any pledge shall be valid and binding against any person having any claim of any kind in tort, contract or otherwise against the*  
44 *Authority, irrespective of whether the person has notice. No resolution, trust agreement or financing statement, continuation statement,*

or other instrument adopted or entered into by the Authority need be filed or recorded in any public record other than the records of the Authority in order to perfect the lien against third persons, regardless of any contrary provision of public general or public local law.

H. Except to the extent restricted by an applicable resolution or trust agreement, any holder of bonds issued under this chapter or a trustee acting under a trust agreement entered into under this chapter, may, by any suitable form of legal proceedings, protect and enforce any rights granted under the laws of Virginia or by any applicable resolution or trust agreement.

I. The Authority may issue bonds to refund any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of the bonds. Refunding bonds may be issued for the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring, for alleviating impending or actual default and may be issued in one or more series in an amount in excess of that of the bonds to be refunded.

J. The company shall agree, as part of any development and lease agreement entered into pursuant to § 15.2-5830, that the company and its affiliates will not be relocated and that the company will operate on the campus until any bonds issued hereunder to finance and refinance the campus are redeemed or defeased.

§ 15.2-5832. Investments in bonds.

Any financial institution, investment company, insurance company or association, and any personal representative, guardian, trustee, or other fiduciary, may legally invest any moneys belonging to them or within its control in any bonds issued by the Authority.

§ 15.2-5833. Virginia Sports and Entertainment Authority Financing Fund; use.

A. There is hereby created in the state treasury a special nonreverting fund for Authority to be known as the Virginia Sports and Entertainment Authority Financing Fund. The Fund shall be established on the books of the Comptroller. All revenues to which the Authority is entitled pursuant to § 15.2-5835, all revenues and moneys approved by local governing body of the City to be directed to the Fund, all revenues and moneys generated by a lease agreement entered into pursuant to § 15.2-5830, any other moneys that may be appropriated by the General Assembly, and any moneys that may be received for the credit of the Fund from any other source shall be paid into the state treasury and credited to the Fund by the Comptroller as soon as practicable following their receipt. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

B. The amounts dedicated to the Fund pursuant to subsection A shall be distributed to the Authority as soon as practicable for use in accordance with this chapter. The Authority shall establish a cash flow waterfall, and shall establish and deposit revenues into each of the following accounts in the following priority order:

1. Revenue Account;
2. Senior Debt Service Account;
3. Senior Debt Service Reserve Account;
4. Subordinate Debt Service Account;
5. Subordinate Debt Service Reserve Account; and
6. Capital Expenditures and Maintenance Account.

The Authority shall also establish a Distribution Account. If, in the opinion of the Authority, all other accounts listed in subdivisions 1 through 6 are sufficiently funded, the Authority shall distribute any excess funds back to the Commonwealth and the City, based upon a formula established and agreed upon by the Commonwealth and the City prior to the issuance of any bonds, so long as such distribution authorized by any bond or other financing documents entered into by the Authority.

C. To the extent deemed appropriate by the Authority, the receipts of the Fund shall be pledged to and transferred for the payment of debt service on Authority bonds and all reasonable charges and expenses related to Authority borrowing and the management of Authority obligations. The Authority may also use proceeds from the Fund for any expense associated with the development of the campus, whether onsite or offsite, or the administration of the Authority.

§ 15.2-5834. Additional duties.

In addition to the duties set forth elsewhere in this chapter, the Authority shall:

1. Keep records as are consistent with sound business practices and accounting records using generally accepted accounting practices;

- 1 2. Adopt criteria to be used, taking into account the obligations established in bond and other financing documents entered into by the  
2 Authority, in determining when the accounts established pursuant to subdivision B of § 15.2-5833 are sufficiently funded;
- 3 3. Secure an annual external audit of the books of the Authority and its transactions by a nationally recognized auditing firm with  
4 sufficient skills and experience to conduct a thorough audit of the Authority. The results of such audit shall be submitted the Governor  
5 and the chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations;
- 6 4. Be subject to audit and examination at any reasonable time of its accounts and transactions by the Auditor of Public Accounts; and  
7 5. Submit a detailed annual report of its activities and financial standing to the Governor and to the General Assembly.
- 8 § 15.2-5835. Entitlement to certain tax revenues.
- 9 A. The Authority shall be entitled, subject to appropriation and to the limitations of this chapter, to all sales tax revenues. Revenues  
10 received under this subsection shall be applied to any purposes that the Authority deems appropriate for the campus, including the  
11 payment of debt service on the Authority's bonds. The State Comptroller shall remit such sales tax revenues to the Fund on a quarterly  
12 basis, subject to such reasonable processing delays as may be required by the Department of Taxation. The State Comptroller shall  
13 make such remittances to the Fund, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and  
14 Use Tax Act (§ 58.1-600 et seq.). Such entitlement shall continue as necessary to cover eligible expenses of the Authority.
- 15 B. The local governing body of the locality in which the campus is located may direct, by ordinance or resolution, that all local sales  
16 and use tax revenues generated by transactions taking place upon the premises of the campus or on the campus from taxes levied  
17 pursuant to §§ 58.1-605 and 58.1-606 shall be remitted by such locality to the Authority for any purposes of the Authority. Such  
18 remittances shall be for the same period and under the same conditions as remittances to the Authority paid in accordance with  
19 subsection A, mutatis mutandis.
- 20 C. The Authority shall be entitled, subject to appropriation and to the limitations of this chapter, to all personal income tax revenues,  
21 corporate income tax revenues, and pass-through entity tax revenues. Such revenues shall be applied for any purposes which the  
22 Authority deems appropriate for the campus, including the payment of debt service on the Authority's bonds. The State Comptroller  
23 shall remit all such state tax revenue to the Fund on a quarterly basis, subject to such reasonable processing delays as may be required  
24 by the Department of Taxation. Such entitlement shall continue as necessary to cover eligible expenses of the Authority.
- 25 D. In connection with the issuance of bonds by the Authority to finance or refinance the campus, the local governing body of the City  
26 may direct, by ordinance or resolution, any other taxes or funds available to it for the repayment of bonds, campus operating expenses  
27 or capital expenditures, and other purposes of the Authority, including any other revenues approved by the local governing body of the  
28 locality in which the campus is located and any other taxes imposed by the locality.
- 29 § 15.2-5836. Cooperation between the Authority and other political subdivisions.
- 30 The Authority may enter into agreements with any other political subdivision of the Commonwealth for joint or cooperative action in  
31 accordance with § 15.2-1300.
- 32 § 15.2-5837. Tort liability.
- 33 No pecuniary liability of any kind shall be imposed on the Commonwealth or on any other political subdivision of the Commonwealth  
34 because of any act, agreement, contract, tort, malfeasance or nonfeasance by or on the part of the Authority, its independent  
35 contractors, or its agents.
- 36 § 15.2-5838. Tort claims.
- 37 For purposes of Article 18.1 (§ 8.01-195.1 et seq.) of Chapter 3 of Title 8.01, the Authority is an "agency" within the meaning of §  
38 8.01-195.2, and each of its members and agents is an "employee" within the meaning of such section.
- 39 § 15.2-5839. Policy statement.
- 40 It is hereby found, determined, and declared that the construction and development of the campus will result in substantial economic  
41 development in the Commonwealth and is in all respects for the benefit of the people of the Commonwealth and is a public purpose and  
42 that the Authority will be performing an essential government function in the exercise of the powers conferred by this chapter.
- 43 § 15.2-5840. Audits and reports.
- 44 A. The Auditor of Public Accounts of the Commonwealth, and his legally authorized representatives, is hereby authorized and  
45 empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements, contracts,  
46 leases, investments, and any other matters relating to its finances, operation, and affairs.
- 47 B. The Tax Commissioner shall report to the Chairman of the Senate Finance and Appropriations Committee, Chairman of the House  
48 Finance Committee, and the Chairman of the House Appropriations Committee, before July 1 of each year, the amount of the

- 1 entitlement pursuant to § 15.2-5837.
- 2 § 15.2-5841. Prohibited use of funds.
- 3 No funds of the Authority derived from state tax revenues may be used to pay fees or expenses of lobbyists required to register  
4 under § 2.2-422.
- 5 § 15.2-5842. Exemption of Authority from personnel and procurement procedures.
- 6 The provisions of the Virginia Personnel Act (§ 2.2-2900 et seq.) and the Virginia Public Procurement Act (§ 2.2-4300 et seq.)  
7 shall not apply to the Authority in the exercise of any power conferred under this chapter.
- 8 28. That the initial appointment of members of the Virginia Sports and Entertainment Authority established by this act shall be  
9 as follows: (i) one of the members appointed by the Governor and one of the members appointed by the governing body of the  
10 City of Alexandria shall be appointed for a term of four years; (ii) two of the members appointed by the Governor and one of  
11 the members appointed by the City of Alexandria shall be appointed for a term of three years; (iii) two of the members  
12 appointed by the Governor and one of the members appointed by the governing body of the City of Alexandria shall be  
13 appointed for a term of two years; and (iv) one of the members appointed by the Governor and one of the members appointed  
14 by the governing body of the City of Alexandria shall be appointed for a term of one year. Members appointed to an initial term  
15 of less than four years shall be eligible to be reappointed for two full four-year terms.
- 16 ~~27~~.29. That the provisions of the fifth enactment of this Act shall apply beginning January 1, 2023.
- 17 ~~28~~.30. That the provisions of the first enactment of this act shall expire at midnight on June 30, 2024.
- 18 ~~29~~.31. That the provisions of the second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh, twelfth,  
19 thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first, twenty-second,  
20 twenty-third, twenty-fourth, twenty-fifth, ~~and~~ twenty-sixth, ~~twenty-seventh, and twenty-eighth~~ enactments of this act shall  
21 have no expiration date.

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