The following has special meaning:
green underline denotes added text
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2020 RECONVENED SESSION

CHAPTER 1283

REENROLLED

An Act to amend and reenact Chapter 854 of the 2019 Acts of Assembly, which appropriated the public revenues and provided a portion of such revenues for the two years ending, respectively, on the thirtieth day of June, 2019, and the thirtieth day of June, 2020; and a BILL to amend and reenact § 58.1-638 of the Code of Virginia and to repeal the fifth enactment of Chapter 17 and the fifth enactment of Chapter 18 of the Acts of Assembly of 2019.

[H29]

Approved April 24, 2020

Be it enacted by the General Assembly of Virginia:

1. That Items 4, 6, 40, 41, 42, 58, 81, 83, 103, 105, 123, 126, 129, 134, 135, 136, 195, 227, 234, 242, 259, 265, 266, 279, 281, 282, 297, 302, 303, 305, 307, 309, 310, 311, 312, 316, 317, 321, 325, 328, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 352, 355, 358, 363, 370, 371, 372, 373, 377, 385, 390,391, 439, 448, 449, 450, 451, 452, 453, 454, 455, 474, 475, 481, 482, 488, § 2-0, C-6.20, C-19, C-22.50, C-46, C-47, C-48, C-48.10, C-50, C-53, § 3-1.01, C 3-2.03, § 3-4.01, § 3-5.03, § 3-5.09, § 3-5.14, § 3-5.21, § 4-0.01, § 4-1.05, § 4-2.01, § 4-2.02, § 4-3.02, § 4-5.03, § 4-5.04, § 4-5.10, § 4-6.01, § 4-8.01, and § 4-14.00 of Chapter 854 of the 2019 Acts of Assembly, be hereby amended and reenacted and that the cited chapter be further amended by adding Items 476.10, C-13.05, C-33.10, and § 3-5.23, and that the cited chapter be further amended by striking therefrom § 4-5.11.

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 Balance, June 30, 2018	$1,229,941,000	~~$0~~ $1,930,619,607	~~$1,229,941,000~~ $3,160,560,607
Additions to Balance	($723,275,506)	~~$336,198,952~~ ($1,362,416,187)	~~($387,076,554)~~ ($2,085,691,693)
Official Revenue Estimates	$20,528,667,750	~~$21,556,728,000~~ $21,972,000,000	~~$42,085,395,750~~ $42,500,667,750
Transfer	$639,095,037	~~$635,773,381~~ $701,725,756	~~$1,274,868,418~~ $1,340,820,793
Total General Fund Resources Available for Appropriation	$21,674,428,281	~~$22,528,700,333~~ $23,241,929,176	~~$44,203,128,614~~ $44,916,357,457

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

	First Year	Second Year	Total
Balance, June 30, 2018	$6,342,196,144	$0	$6,342,196,144
Official Revenue Estimates	$31,403,525,053	~~$35,070,229,412~~ $36,178,116,162	~~$66,473,754,465~~ $67,581,641,215
Lottery Proceeds Fund	$632,398,647	~~$628,830,501~~ $613,449,864	~~$1,261,229,148~~ $1,245,848,511
Internal Service Fund	$2,099,646,770	~~$2,071,214,416~~ $2,070,676,464	~~$4,170,861,186~~ $4,170,323,234

Bond Proceeds	$1,112,897,936	~~$1,243,269,436~~ $1,319,737,172	~~$2,356,167,372~~ $2,432,635,108
Total Nongeneral Fund Revenues Available for Appropriation	$41,590,664,550	~~$39,013,543,765~~ $40,181,979,662	~~$80,604,208,315~~ $81,772,644,212
TOTAL PROJECTED REVENUES	$63,265,092,831	~~$61,542,244,098~~ $63,423,908,838	~~$124,807,336,929~~ $126,689,001,669

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

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

§ 6. When used in this act the term:

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

B. "Previous biennium" means the period from the first day of July two thousand sixteen, through the thirtieth day of June two thousand eighteen, inclusive.

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

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

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

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

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

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

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

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

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

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

BIENNIUM 2018-20

	General Fund	**Nongeneral Fund**	**Total**
OPERATING EXPENSES	~~$44,190,797,183~~ $43,726,249,075	~~$76,379,925,389~~ $77,087,693,008	~~$120,570,722,572~~ $120,813,942,083
LEGISLATIVE DEPARTMENT	~~$195,122,878~~ $195,757,878	~~$7,878,620~~ $8,092,048	~~$203,001,498~~ $203,849,926
JUDICIAL DEPARTMENT	~~$1,002,962,598~~ $1,007,462,598	$67,346,128	~~$1,070,308,726~~ $1,074,808,726
EXECUTIVE DEPARTMENT	~~$42,992,244,014~~ $42,522,560,906	~~$74,322,965,586~~ $75,029,470,777	~~$117,315,209,600~~ $117,552,031,683
INDEPENDENT AGENCIES	$467,603	~~$1,981,735,055~~ $1,982,784,055	~~$1,982,202,748~~ $1,983,251,748
STATE GRANTS TO NONSTATE AGENCIES	$0	$0	$0
CAPITAL OUTLAY EXPENSES	~~$4,704,000~~ $4,824,000	~~$2,798,237,302~~ $2878,705,038	~~$2,802,941,302~~ $2,883,529,038
TOTAL	~~$44,195,501,183~~ $43,731,073,075	~~$79,178,162,691~~ $79,966,398,046	~~$123,373,663,874~~ $123,697,471,121

§ 8. This chapter shall be known and may be cited as the "2020 Amendments to the 2010 Appropriation Act."

PART 1: OPERATING EXPENSES

LEGISLATIVE DEPARTMENT

	Item Details($)		**Appropriations($)**	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**

1. Not set out.
2. Not set out.
3. Not set out.

§ 1-1. DIVISION OF CAPITOL POLICE (961)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
4. Administrative and Support Services (39900).....			$10,831,214	~~$10,580,214~~ $11,215,214
Security Services (39923).....	$10,831,214	~~$10,580,214~~ $11,215,214		
Fund Sources: General.....	$10,831,214	~~$10,580,214~~ $11,215,214		

Authority: Title 30, Chapter 3.1, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the Chief, Division of Capitol Police, $120,000 from July 1, 2018 to June 30, 2019 and $120,000 from July 1, 2019 to June 30, 2020.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Division of Capitol Police.....			**$10,831,214**	**~~$10,580,214~~ $11,215,214**
General Fund Positions.....	108.00	109.00		
Position Level.....	108.00	109.00		
Fund Sources: General.....	$10,831,214	~~$10,580,214~~ $11,215,214		

5. Not set out.

§ 1-2. DIVISION OF LEGISLATIVE SERVICES (107)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
6. Legislative Research and Analysis (78400).....			$7,147,757	~~$6,884,115~~ $7,097,543
Bill Drafting and Preparation (78401).....	$7,147,757	~~$6,884,115~~ $7,097,543		
Fund Sources: General.....	$6,864,081	$6,864,081		
Special.....	$283,676	~~$20,034~~ $233,462		

Authority: Title 30, Chapter 2.2, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the Director, Division of Legislative Services, $157,374 from July 1, 2018 to June 24, 2019 and $157,374 from June 25, 2019, to June 30, 2020.

B. Notwithstanding the salary set out in paragraph A. of this item, the Committee on Joint Rules may establish a salary range for the Director, Division of Legislative Services.

C. The Division of Legislative Services shall continue to provide administrative support to include payroll processing, accounting, and travel expense processing at no charge to the Chesapeake Bay Commission, the Joint Commission on Health Care, the Virginia Commission on Youth, and the Virginia State Crime Commission.

D. Out of this appropriation, $250,000 the first year from the general fund is provided to support the work of the Senate Joint Resolution 47 (2014) Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century. The funding may be used to contract for expertise and assistance in its work to evaluate the community-based system of service delivery or other related topics as required by the work of the Joint Subcommittee. Any contractor hired shall evaluate the current system along with alternative delivery systems to provide the necessary information and assistance to the subcommittee in determining the most appropriate delivery system, or modifications to the current delivery system, that ensures access, quality, consistency, and accountability. Any remaining balance at year-end shall be carried forward to the subsequent fiscal year.

E. Included in this item is $263,642 in the first year and $213,428 in the second year from dedicated special revenue to implement the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee.

F. Out of the amounts re-appropriated to the Division of Legislative Services from prior year unexpended balances, an amount estimated at $250,000 shall be available to cover expenses incurred for legislative redistricting, which is required after the 2020 Census.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Division of Legislative Services.....			**$7,147,757**	**~~$6,884,115~~ $7,097,543**

General Fund Positions.....	56.00	56.00		
Position Level.....	56.00	56.00		
Fund Sources: General.....	$6,864,081	$6,864,081		
Special.....	$283,676	~~$20,034~~ $233,462		
7. Not set out.				
8. Not set out.				
9. Not set out.				
10. Not set out.				
11. Not set out.				
12. Not set out.				
13. Not set out.				
14. Not set out.				
15. Not set out.				
16. Not set out.				
17. Not set out.				
18. Not set out.				
19. Not set out.				
20. Not set out.				
21. Not set out.				
22. Not set out.				
23. Not set out.				
24. Not set out.				
25. Not set out.				
26. Not set out.				
26.10 Not set out.				
Grand Total for Division of Legislative Services.....			**$9,048,480**	~~**$8,784,838**~~ **$8,998,266**
General Fund Positions.....	67.50	67.50		
Position Level.....	67.50	67.50		
Fund Sources: General.....	$8,740,709	$8,740,709		
Special.....	$307,771	~~$44,129~~ $257,557		
27. Not set out.				
28. Not set out.				
29. Not set out.				
30. Not set out.				
31. Not set out.				
32. Not set out.				
33. Not set out.				
34. Not set out.				
TOTAL FOR LEGISLATIVE DEPARTMENT			**$101,685,070**	~~**$101,316,428**~~ **$102,164,856**
General Fund Positions.....	597.50	600.50		
Nongeneral Fund Positions.....	32.50	32.50		
Position Level.....	630.00	633.00		
Fund Sources: General.....	$97,738,939	~~$97,383,939~~ $98,018,939		
Special.....	$3,689,533	~~$3,675,891~~ $3,889,319		
Trust and Agency.....	$118,945	$118,945		
Federal Trust.....	$137,653	$137,653		

JUDICIAL DEPARTMENT

§ 1-3. SUPREME COURT (111)

	Item Details($)		**Appropriations($)**	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**

35. Not set out.

36. Not set out.

37. Not set out.

38. Not set out.

39. Not set out.

Circuit Courts (113)

	Item Details($)		Appropriations($)	
	First Year	**Second Year**	**First Year**	**Second Year**
	FY2019	**FY2020**	**FY2019**	**FY2020**
40. Pre-Trial, Trial, and Appellate Processes (32100).....			$133,976,455	$117,024,675
Trial Processes (32103).....	$49,546,226	$52,434,446		
Other Court Costs And Allowances (Criminal Fund) (32104).....	$64,430,229	$64,590,229		
Fund Sources: General.....	$113,971,455	$117,024,675		
Special.....	$5,000	$5,000		

Authority: Article VI, Section 1, Constitution of Virginia; Title 17.1, Chapter 5; § 19.2-163, Code of Virginia.

A. Out of the amounts in this Item for Trial Processes shall be paid:

1. The annual salaries of Circuit Court judges, each at $171,120 from July 1, 2018 to June 9, 2019, $174,542 from June 10, 2019 to June 30, 2020. Such salaries shall represent the total compensation from all sources for Circuit Court judges.

2. Expenses necessarily incurred for the position of judge of the Circuit Court, including clerk hire not exceeding $1,500 a year for each judge.

3. The state's share of expenses incident to the prosecution of a petition for a writ of habeas corpus by an indigent petitioner, including payment of counsel fees as fixed by the Court; the expenses shall be paid upon receipt of an appropriate order from a Circuit Court.

4. A circuit court judge shall only be reimbursed for mileage for commuting if the judge has to travel to a courthouse in a county or city other than the one in which the judge resides and the distance between the judge's residence and the courthouse is greater than 25 miles.

B. The Chief Circuit Court Judge shall restrict the appointment of special justices to conduct involuntary mental commitment hearings to those unusual instances when no General District Court or Juvenile and Domestic Relations District Court Judge can be made available or when the volume of the hearings would require more than eight hours a week.

C. There is hereby reappropriated the unexpended balance remaining at the close of business on June 30, 2018, in the appropriation made in Item 42, Chapter 836, Acts of Assembly of 2017, in the item detail Other Court Costs and Allowances (Criminal Fund) and the balance remaining in this item detail on June 30, 2019.

D. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall be used to implement the provisions of § 8.01 384.1:1, Code of Virginia.

E.1. General fund appropriations for Other Court Costs and Allowances (Criminal Fund) total $ 124,909,073 the first year and $ ~~124,909,073~~ $129,409,073 the second year in this Item and Items 35, 39, 41, 42 and 43.

2. The Chief Justice of the Supreme Court of Virginia shall determine how the amounts appropriated to Other Courts Costs and Allowances (Criminal Fund) will be allocated, consistent with statutory provisions in the Code of Virginia. Funds within these appropriations are to be used to fund fully the statutory caps on compensation applicable to attorneys appointed by the court to defend criminal charges. Should this appropriation not be sufficient to fund fully all of the statutory caps on compensation as established by § 19.2-163, Code of Virginia, that this appropriation shall be applied first to fully fund the statutory caps for the most serious noncapital felonies and then, should funds still remain in this appropriation, to the other statutory caps, in declining order of the severity of the charges to which each cap is applicable.

3. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $880,000 the first year and not to exceed $880,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission, for the administration of the physical evidence recovery kit (PERK) program.

4. Notwithstanding the provisions of § 19.2-163, Code of Virginia, the amount of compensation allowed to counsel appointed by the court to defend a felony charge that may be punishable by death shall be calculated on an hourly basis at a rate set by the Supreme Court of Virginia.

F.1. For any hearing conducted pursuant to § 19.2-306, Code of Virginia, the circuit court shall have presented to it a sentencing revocation report prepared on a form designated by the Virginia Criminal Sentencing Commission indicating the condition or conditions of the suspended sentence, good behavior, or probation supervision that the defendant has allegedly violated.

2. For any hearing conducted pursuant to § 19.2-306 in which the defendant is cited for violation of a condition or conditions other than a new criminal offense conviction, the court shall also have presented to it the applicable probation violation guideline worksheets established pursuant to Chapter 1042 of the Acts of Assembly 2003. The court shall review and consider the suitability of the discretionary probation violation guidelines. Before imposing sentence, the court shall state for the record that such review and consideration have been accomplished and shall make the completed worksheets a part of the record of the case and open for inspection. In hearings in which the court imposes a sentence that is either greater or less than that indicated by the discretionary probation violation guidelines, the court shall file with the record of the case a written explanation of such departure.

3. Following any hearing conducted pursuant to § 19.2-306 and the entry of a final order, the clerk of the circuit court in which the hearing was held shall cause a copy of such order or orders, the original sentencing revocation report, any applicable probation violation

guideline worksheets prepared in the case, and a copy of any departure explanation prepared pursuant to subsection F.2., to be forwarded to the Virginia Criminal Sentencing Commission within 30 days.

4. The failure to follow any or all of the provisions specified in F.1. through F.3 or the failure to follow any or all of these provisions in the prescribed manner shall not be reviewable on appeal or the basis of any other post-hearing relief.

G. Mandated changes or improvements to court facilities pursuant to § 15.2-1643, Code of Virginia, or otherwise, including any new construction, shall be delayed at the request of the local governing body in which the court is located until June 30, 2020. The provisions of this item shall not apply to facilities that were subject to litigation on or before November 30, 2008.

H. In order to reduce expenditures through the Criminal Fund for court-appointed counsel, effective July 1, 2014, compensation paid to attorneys appointed pursuant to Virginia Code § 53.1-40 shall be limited to $55 per hour, with a maximum per diem compensation of $200, plus reasonable expenses, to be paid from the Criminal Fund.

I.1. Notwithstanding the provisions of § 19.2-155, Code of Virginia, in cases where an Attorney for the Commonwealth must recuse himself from a case or a special prosecutor must be appointed, the circuit court judge must appoint an Attorney for the Commonwealth or an Assistant Attorney for the Commonwealth from another jurisdiction. If the circuit court judge determines that the appointment of such Attorney for the Commonwealth or such Assistant Attorney for the Commonwealth is not appropriate or that such an attorney or assistant is unavailable then the judge must request approval from the Executive Secretary of the Supreme Court for an exception to this requirement.

2. The Executive Secretary of the Supreme Court shall include in the annual report required in paragraph A. of Item 38 information on the number of exceptions granted related to special prosecutors and the related expenditures.

J. Notwithstanding any other provisions of Chapter 23 of Title 8.1 of the Code of Virginia, a reasonable fee not to exceed $150 may be charged by Commissioners of Accounts for any foreclosures on a timeshare estate to reimburse them for the reasonable costs associated therewith.

K. Sufficient funding is provided in the second year appropriation for this item to fill all circuit court judgeships authorized pursuant to § 17.1-507, Code of Virginia, as of July 1, 2019.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
Total for Circuit Courts.....			**$113,976,455**	**$117,024,675**
General Fund Positions.....	165.00	165.00		
Position Level.....	165.00	165.00		
Fund Sources: General.....	$113,971,455	$117,019,675		
Special.....	$5,000	$5,000		

General District Courts (114)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
41. Pre-Trial, Trial, and Appellate Processes (32100).....			$117,958,469	~~$120,337,475~~ $122,587,475
Trial Processes (32103).....	$96,960,139	$99,339,145		
Other Court Costs And Allowances (Criminal Fund) (32104).....	$15,069,165	~~$15,069,165~~ $17,319,165		
Involuntary Mental Commitments (32105).....	$5,929,165	$5,929,165		
Fund Sources: General.....	$117,958,469	~~$120,337,475~~ $122,587,475		

Authority: Article VI, Section 8, Constitution of Virginia; §§ 16.1-69.1 through 16.1-137, 19.2-163 and 37.2-809 et seq., Code of Virginia.

A. Out of the amounts in this Item for Trial Processes shall be paid:

1. The annual salaries of all General District Court judges, $154,017 from July 1, 2018 to June 9, 2019, $ 157,097 from June 10, 2019 to June 30, 2020. Such salary shall be 90 percent of the annual salary fixed by law for judges of the Circuit Courts and shall represent the total compensation for General District Court Judges and incorporate all supplements formerly paid by the various localities.

2. The salaries of substitute judges and court personnel.

B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2018, in the appropriation made in Item 43, Chapter 836, Acts of Assembly of 2017 in the item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2019.

C. Any balance, or portion thereof, in the item detail Involuntary Mental Commitments, may be transferred between Items 41, 42, 43, and 300, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

D. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.

E. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $40,000 the first year and not to exceed $40,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission, for the administration of the physical evidence recovery kit (PERK) program.

F. A district court judge shall only be reimbursed for mileage for commuting if the judge has to travel to a courthouse in a county or city other than the one in which the judge resides and the distance between the judge's residence and the courthouse is greater than 25 miles.

G. Upon the retirement or separation from employment of any chief general district court clerks from the 7th judicial district or the 13th judicial district, any vacant chief clerk positions in excess of one chief clerk for each general district court shall be reallocated by the Committee on District Courts to district courts with the highest documented unmet staffing requirements.

H. Sufficient funding is provided in the second year appropriation for this item to fill all general district court judgeships authorized pursuant to § 16.1-69.6:1, Code of Virginia, as of July 1, 2019.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
Total for General District Courts			**$117,958,469**	**~~$120,337,475~~ $122,587,475**
General Fund Positions	1,056.10	1,056.10		
Position Level	1,056.10	1,056.10		
Fund Sources: General	$117,958,469	~~$120,337,475~~ $122,587,475		

Juvenile and Domestic Relations District Courts (115)

	Item Details($)		Appropriations	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
42. Pre-Trial, Trial, and Appellate Processes (32100)			$98,711,729	~~$102,676,739~~ $104,926,739
Trial Processes (32103)	$66,639,631	$70,604,641		
Other Court Costs And Allowances (Criminal Fund) (32104)	$31,807,351	~~$31,807,351~~ $34,057,351		
Involuntary Mental Commitments (32105)	$264,747	$264,747		
Fund Sources: General	$98,711,729	~~$102,676,739~~ $104,926,739		

Authority: Article VI, Section 8, Constitution of Virginia; §§ 16.1-69.1 through 16.1-69.58, 16.1-226 through 16.1-334, 19.2-163 and 37.2-809 through 37.2-813., Code of Virginia.

A. Out of the amounts in this Item for Trial Processes shall be paid:

1. The annual salaries of all full-time Juvenile and Domestic Relations District Court Judges, $154,017 from July 1, 2018 to June 9, 2019, $ 157,097 from June 10, 2019 to June 30, 2020. Such salary shall be 90 percent of the annual salary fixed by law forjudges of the Circuit Courts and shall represent the total compensation for Juvenile and Domestic Relations District Court Judges.

2. The salaries of substitute judges and court personnel.

B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2018, in the appropriation made in Item 44, Chapter 836, Acts of Assembly of 2017, in the Item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2019.

C. Any balance, or portion thereof, in the Item detail Involuntary Mental Commitments, may be transferred between Items 41, 42, 43, and 300, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

D. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall be used to implement the provisions of § 8.01 384.1:1, Code of Virginia.

E. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $870,000 the first year and not to exceed $870,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission for the administration of the physical evidence recovery kit (PERK) program.

F. Sufficient funding is provided in the second year appropriation for this item to fill all juvenile and domestic relations court judgeships authorized pursuant to § 16.1-69.6:1, Code of Virginia, as of July 1, 2019.

	Item Details($)		Appropriations	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
Total for Juvenile and Domestic Relations District Courts			**$98,711,729**	**~~$102,676,739~~ $104,926,739**
General Fund Positions	617.10	617.10		

Position Level.....	617.10	617.10		
Fund Sources: General.....	$98,711,729	~~$102,676,739~~ $104,926,739		
43. Not set out.				
44. Not set out.				
Grand Total for Supreme Court.....			**$447,109,202**	~~**$456,789,726**~~ **$461,289,726**
General Fund Positions.....	2,708.71	2,708.71		
Nongeneral Fund Positions.....	8.00	8.00		
Position Level.....	2,716.71	2,716.71		
Fund Sources: General.....	$437,825,226	~~$447,505,750~~ $452,005,750		
Special.....	$308,655	$308,655		
Dedicated Special Revenue.....	$7,675,321	$7,675,321		
Federal Trust.....	$1,300,000	$1,300,000		
45. Not set out.				
46. Not set out.				
47. Not set out.				
48. Not set out.				
49. Not set out.				
50. Not set out.				
TOTAL FOR JUDICIAL DEPARTMENT.....			**$529,358,799**	~~**$540,949,927**~~ **$545,449,927**
General Fund Positions.....	3,267.71	3,287.71		
Nongeneral Fund Positions.....	106.00	106.00		
Position Level.....	3,373.71	3,393.71		
Fund Sources: General.....	$495,685,735	~~$507,276,863~~ $511,776,863		
Special.....	$9,457,292	$9,457,292		
Dedicated Special Revenue.....	$22,915,772	$22,915,772		
Federal Trust.....	$1,300,000	$1,300,000		

EXECUTIVE DEPARTMENT

EXECUTIVE OFFICES

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
51. Not set out.				
52. Not set out.				
53. Not set out.				
54. Not set out.				
55. Not set out.				

§ 1-4. ATTORNEY GENERAL AND DEPARTMENT OF LAW (141)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
56. Not set out.				
57. Not set out.				
58. Regulation of Business Practices (55200).....			$3,486,677	~~$3,486,677~~ $3,736,677
Regulatory and Consumer Advocacy (55201).....	$3,486,677	~~$3,486,677~~ $3,736,677		
Fund Sources: General.....	$2,067,020	$2,067,020		
Special.....	$1,419,657	~~$1,419,657~~ $1,669,657		

Authority: Title 2.2, Chapter 5, Code of Virginia.

Included in this Item is $750,000 the first year and ~~$750,000~~ $1,000,000 the second year from special funds for the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund as established in Item 48 of Chapter 966 of the Acts of Assembly 1994 and amended herein. The Department of Law is authorized to deposit to the fund any fees, civil penalties, costs, recoveries, or other moneys which from time to time may become available as a result of regulatory and consumer advocacy litigation, litigation in which the Office of the Attorney General participates, or civil enforcement efforts including, but not limited to, those brought pursuant to Article 1 (§ 3.2-4200 et seq.) and Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2 of the Code of Virginia. The Department of Law is also authorized to deposit to the fund any attorneys' fees which from time to time may be obtained. Any deposit to, and interest earnings on, the fund shall be retained in the fund, provided, however, that any amounts contained in the fund that exceed $750,000 on the final day of the fiscal year ending June 30, 2019 and $1,250,000 on the final day of the fiscal year ending June 30, 2020

shall be deposited to the credit of the general fund. In addition to the uses of the fund permitted by Item 48 of Chapter 966 of the Acts of Assembly of 1994, the fund may be used to pay costs associated with enforcement efforts pursuant to Article 1 (§ 3.2-4200 et seq.) and Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2 of the Code of Virginia, costs associated with litigation initiated by the Office of the Attorney General, and costs associated with civil commitment procedures pursuant to Chapter 9 of Title 37.2 of the Code of Virginia.

	Item Details($)		Appropriation	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
59. Not set out.				
60. Not set out.				
Total for Attorney General and Department of Law			**$53,648,013**	~~**$52,854,456**~~ **$53,104,456**
General Fund Positions	236.75	236.75		
Nongeneral Fund Positions	203.25	203.25		
Position Level	440.00	440.00		
Fund Sources: General	$24,121,382	$24,121,382		
Special	$16,802,756	~~$16,802,756~~ $17,052,756		
Federal Trust	$12,723,875	$11,930,318		
61. Not set out.				
Grand Total for Attorney General and Department of Law			**$56,403,460**	~~**$55,609,903**~~ **$55,859,903**
General Fund Positions	236.75	236.75		
Nongeneral Fund Positions	230.25	230.25		
Position Level	467.00	467.00		
Fund Sources: General	$24,121,382	$24,121,382		
Special	$19,558,203	~~$19,558,203~~ $19,808,203		
Federal Trust	$12,723,875	$11,930,318		
62. Not set out.				
63. Not set out.				
64. Not set out.				
TOTAL FOR EXECUTIVE OFFICES			**$71,694,622**	~~**$70,901,065**~~ **$71,151,065**
General Fund Positions	324.42	324.42		
Nongeneral Fund Positions	247.58	247.58		
Position Level	572.00	572.00		
Fund Sources: General	$36,949,238	$36,949,238		
Special	$19,840,593	~~$19,840,593~~ $20,090,593		
Commonwealth Transportation	$2,087,938	$2,087,938		
Dedicated Special Revenue	$92,978	$92,978		
Federal Trust	$12,723,875	$11,930,318		

OFFICE OF ADMINISTRATION

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
65. Not set out.				
66. Not set out.				
67. Not set out.				
68. Not set out.				
69. Not set out.				
70. Not set out.				
71. Not set out.				
72. Not set out.				
73. Not set out.				
74. Not set out.				
75. Not set out.				
76. Not set out.				
77. Not set out.				
78. Not set out.				
79. Not set out.				
80. Not set out.				

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
81. Personnel Management Services (70400).....			$103,100,826	~~$108,364,532~~ $108,076,580
Agency Human Resource Services (70401).....	$1,452,709	~~$1,677,709~~ $1,927,709		
Human Resource Service Center (70402).....	$1,362,447	$1,286,809		
Health Benefits Services (70406).....	$6,859,837	$6,868,079		
Personnel Development Services (70409).....	$678,686	$678,686		
Personnel Management Information System (70410).....	$1,827,972	~~$1,861,248~~ $1,323,296		
Equal Employment and Dispute Resolution Services (70413).....	$1,822,940	$1,895,766		
State Employee Program Services (70417).....	$2,139,084	$2,139,084		
State Employee Workers' Compensation Services (70418).....	$86,414,323	$91,414,323		
Administrative and Support Services (70419).....	$542,828	$542,828		
Fund Sources: General.....	$5,207,112	~~$5,429,300~~ $5,679,300		
Special.....	$1,272,515	$1,272,515		
Enterprise.....	$2,519,448	$2,519,448		
Internal Service.....	$7,338,929	~~$7,372,205~~ $6,834,253		
Trust and Agency.....	$86,762,822	$91,771,064		

Authority: Title 2.2, Chapters 12 and 28, 29, 30, and 32, Code of Virginia.

A. The Department of Human Resource Management shall report any proposed changes in premiums, benefits, carriers, or provider networks to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees at least sixty days prior to implementation.

B.1. The Department of Human Resource Management shall operate a human resource service center to support the human resource needs of those agencies identified by the Secretary of Administration in consultation with the Department of Planning and Budget. The agencies identified shall cooperate with the Department of Human Resource Management by transferring such records and functions as may be required.

2. Out of this appropriation, $622,898 the first year and $622,898 the second year from the general fund shall be used to support the human resource service center.

3. Nothing in this paragraph shall prohibit additional agencies from using the services of the center; however, these additional agencies' use of the human resource service center shall be subject to approval by the affected cabinet secretary and the Secretary of Administration.

4. a. Agencies that are partially or fully funded with nongeneral funds that receive approval by the affected cabinet secretary and the Secretary of Administration to join the human resource service center, on or after July 1, 2014, shall pay the Department of Human Resource Management the costs to support the human resource service center. The agency's share of the costs to support the human resource service center shall be based on the agency's applicable nongeneral fund expenditures as set out in § 4-5.03 of this act.

b. The rates required to recover the costs of the human resource service center shall be provided by the Department of Human Resource Management to the Department of Planning and Budget by September 1 each year for review and approval of the subsequent fiscal year's rate in accordance with § 4-5.03 of this act.

c. The rates for the human resource service center shall be $625.00 per full-time equivalent and $225.00 per wage employee the first year and $900.00 per full-time equivalent and $325.00 per wage employee the second year.

C. The institutions of higher education shall be exempt from the centralized advertising requirements identified in Executive Order 73 (01).

D.1. To ensure fair and equitable performance reviews, the Department of Human Resource Management, within available resources, is directed to provide performance management training to agencies and institutions of higher education with classified employees.

2. Agency heads in the Executive Department are directed to require appropriate performance management training for all agency supervisors and managers.

E. The Department of Human Resource Management shall take into account the claims experience of each agency and institution when setting premiums for the workers' compensation program.

F.1. The Department of Human Resource Management shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by October 30 of each year, on its recommended workers' compensation premiums for state agencies for the following biennium. This report shall also include the basis for the department's recommendations; the status and recommendations of the loss control program authorized in paragraph F. 2; the number and amount of workers' compensation settlements concluded in the previous fiscal year, inclusive of those authorized in paragraph F. 3.a; and the impact of those settlements on the workers' compensation program's reserves.

2. Beginning July 1, 2015, the Department of Human Resource Management shall conduct an annual review of each state agency's loss control history, to include the severity of workers' compensation claims, experience modification factor, and frequency normalized by payroll. Based on the annual review, state agencies deemed by the Department of Human Resource Management as having higher than

normal loss history shall be required to participate in a loss control program. All executive, judicial, legislative, and independent agencies required to participate in the loss control program shall fully cooperate with the Department of Human Resource Management's review.

3. a. A working capital advance of up to $20,000,000 shall be provided to the Department of Human Resource Management to identify and potentially settle certain workers' compensation claims open for more than one year but less than 10 years. The Department of Human Resource Management shall pay back the working capital advance from annual premiums over a seven-year period.

b. The Secretary of Finance and Secretary of Administration shall approve the drawdowns from this working capital advance prior to the expenditure of funds. The State Comptroller shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance Committees of any approved drawdowns.

G. The Department of Human Resource Management shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees, by October 15 of each year, on the renewal cost of the state employee health insurance program premiums that will go into effect on July 1 of the following year. This report shall include the impact of the renewal cost on employee and employer premiums and a valuation of liabilities as required by Other Post Employment Benefits reporting standards.

H. Out of this appropriation, $606,439 the first year and $606,439 the second year from the general fund is provided for the time, attendance and leave system.

I. The Department of Human Resource Management shall develop and distribute instructions and guidelines to all executive department agencies for the provision of an annual statement of total compensation for each classified employee. The statement should account for the full cost to the Commonwealth and the employee of cash compensation as well as Social Security, Medicare, retirement, deferred compensation, health insurance, life insurance, and any other benefits. The Director, Department of Human Resource Management, shall ensure that all executive department agencies provide this notice to each employee. The Department of Accounts and the Virginia Retirement System shall provide assistance upon request. Further, the Director of the Department of Human Resource Management shall provide instructions and guidelines for the development notices of total compensation to all independent, legislative, and judicial agencies, and institutions of higher education for preparation of annual statements to their employees.

J. 1. The appropriation for the Personnel Management Information System (PMIS) is a sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from revenues derived from charges to participating agencies, identified by the Department of Human Resource Management and approved by the Department of Planning and Budget, to support the operation of PMIS and its subsystems authorized in this Item.

2.a. The rate for agencies to support PMIS and its subsystems, operated and maintained by the Department of Human Resource Management, shall be $16.20 per position the first year and no more than ~~$17.03~~ $10.82 per position the second year. The rate is based upon the higher of the agency's maximum employment level as of July 1, 2017, and filled wage positions as of June 30, 2017, or the total number of filled classified and wage positions as of June 30, 2017.

b. The rates authorized to support the operation of PMIS and its subsystems shall be provided by the Department of Human Resource Management and approved by the Department of Planning and Budget by September 1 each year for review and approval of the subsequent fiscal year's rate in accordance with § 4-5.03 of this act.

3. The State Comptroller shall recover the cost of services provided for the administration of the internal service fund through interagency transactions as determined by the State Comptroller.

K. Out of the amounts appropriated for this Item to support the Commission on Employee Retirement Security and Pension Reform, the Department of Human Resource Management is authorized to spend an amount estimated at $75,000 each year on the development and maintenance of an employee exit survey and an amount estimated at $20,000 per year to subscribe to Occupationally Based Data Services focused on total compensation and evaluation of peer employers.

L. The Department of Human Resource Management shall work with the Virginia Information Technologies Agency to develop a pilot program, beginning in July of 2019, utilizing a currently available electronic platform, to track and evaluate the productivity contract staff when teleworking or working in an office that is not part of the agency for which they work or for which they have a contract. The Departments shall identify specific executive branch agencies which have a significant number of such contractors and work with these agencies to develop the pilot project. The Departments shall report to the Chairmen of the House Appropriations and Senate Finance Committees on the results of the pilot program by November 15, 2020.

M.1. The Department of Human Resource Management shall convene a workgroup to develop a methodology that can be used to determine (i) the amount of funding that should be appropriated for state employee salary increases each year and (ii) how to distribute that funding to address state agencies' most significant workforce challenges.

2. The methodology should be data-driven and include (i) recruitment and retention trends for each job role in the state workforce, (ii) how salaries and total compensation for each job role compare to similar jobs at other employers, (iii) the extent to which recruitment and retention challenges can be addressed by salary increases, and (iv) the impact of recruitment and retention challenges in each job role on state agency operations.

3. In developing the methodology, the workgroup shall incorporate data from the Personnel Management Information System, the Department of Human Resource Management's employee exit survey, and data from Occupationally Based Data Services.

4. The workgroup shall include representatives from the Department of Human Resource Management, the Department of Planning and Budget, House Appropriations Committee staff, Senate Finance Committee staff, and human resources staff from multiple state agencies.

5. The methodology developed by the workgroup shall be used to develop the biennial report required by House Bill 2055 of the 2019 General Assembly Session. Notwithstanding the provisions of House Bill 2055, the first biennial report using this methodology shall be due by December 1, 2019.

N. The Department of Human Resource Management shall work with the Department of Veterans Services to identify and promote policies to support the hiring and continued employment of disabled veterans in the state workforce. The Departments shall submit any recommendations for state workforce policy changes to the Chairmen of the House Appropriations and Senate Finance Committees by November 15, 2019.

	Item Details($)		Appropr	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second FY2020
Total for Department of Human Resource Management.....			$103,100,826	~~$108,36~~ $108,07

General Fund Positions	49.96	49.96	
Nongeneral Fund Positions	66.04	66.04	
Position Level	116.00	116.00	
Fund Sources: General	$5,207,112	~~$5,429,300~~ $5,679,300	
Special	$1,272,515	$1,272,515	
Enterprise	$2,519,448	$2,519,448	
Internal Service	$7,338,929	~~$7,372,205~~ $6,834,253	
Trust and Agency	$86,762,822	$91,771,064	
82. Not set out.			
Grand Total for Department of Human Resource Management			$2,188,546,893 ~~$2,218,~~ $2,218,~
General Fund Positions	49.96	49.96	
Nongeneral Fund Positions	66.04	66.04	
Position Level	116.00	116.00	
Fund Sources: General	$5,207,112	~~$5,429,300~~ $5,679,300	
Special	$1,272,515	$1,272,515	
Enterprise	$536,569,692	$536,569,692	
Internal Service	$1,526,534,752	~~$1,551,568,028~~ $1,551,030,076	
Trust and Agency	$118,962,822	$123,971,064	

§ 1-6. DEPARTMENT OF ELECTIONS (132)

	Item Details($)		Appropriations($)	
	First Year	**Second Year**	**First Year**	**Second Year**
	FY2019	**FY2020**	**FY2019**	**FY2020**
83. Electoral Services (72300)			$12,116,786	~~$16,114,173~~ $26,142,576
Electoral Administration, Uniformity, Legality, and Quality Assurance Services (72302)	$1,285,140	~~$2,098,443~~ $1,951,135		
Statewide Voter Registration System and Associated Information Technology Services (72304)	$8,872,492	~~$12,169,925~~ $22,345,636		
Campaign Finance Disclosure Administration Services (72309)	$181,282	$181,282		
Voter Services and Communications (72311)	$703,944	$483,944		
Administrative Services (72312)	$1,073,928	$1,180,579		
Fund Sources: General	$12,064,536	~~$13,061,923~~ $12,914,615		
Special	$52,250	$52,250		
Trust and Agency	$0	~~$3,000,000~~ $13,175,711		

Authority: Title 24.2, Chapter 1, Code of Virginia.

A. It is the intention of the General Assembly that all local precincts, other than central absentee precincts established under § 24.2-712, Code of Virginia, will use electronic pollbooks for elections held beginning in November, 2010.

B. Any locality using paper pollbooks for elections held beginning in November, 2010, shall be responsible for entering voting credit as provided in § 24.2-668. Additionally, any locality using paper pollbooks for elections held after November, 2010 may be required to reimburse the Department of Elections for state costs associated with providing paper pollbooks.

C. Municipalities will pay all expenses associated with May elections after June 30, 2009, including those costs incurred by the Department of Elections.

D. The State Board of Elections shall by regulation provide for an administrative fee up to $25 for each non-electronic report filed with the State Board under § 24.2-947.5. The regulation shall provide for waiver of the fee based upon indigence.

E. All unpaid charges and civil penalties assessed under Title 24.2 shall be subject to interest, the administrative collection fee and late penalties authorized in the Virginia Debt Collection Act, Chapter 48 of Title 2.2, § 2.2-4800 et seq.

F. Out of this appropriation, $212,687 the first year and $212,687 the second year from the general fund is provided for voter outreach and education required to inform voters about the photo identification requirements pursuant to Chapter 725 of the Acts of Assembly of 2013. It is the intent of the General Assembly that registration cards containing the voter's photograph and signature be provided free to any eligible voter upon request to the general registrar.

G. Out of this appropriation, $212,423 the first year and $212,423 the second year from the general fund is provided for conducting list maintenance mailings as required by the National Voter Registration Act.

~~H. No funds available within this appropriation shall be expended to substantially rebuild the Virginia Election & Registration Information System (VERIS) until such time as the Department of Elections, in consultation with the Virginia Information Technologies Agency (VITA), has (i) solicited feedback from the CR/EB Duties Workgroup, (ii) developed a product requirements document, and (iii)~~

~~developed a draft request for proposals document for a potential replacement to the VERIS system. The Department shall submit a report to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2019, including the completed product requirements document and draft request for proposals document, as well as an assessment by the Department regarding the options of replacing or rebuilding the VERIS system, including the use of third-party vendors.~~

I. The Department of Elections, in collaboration with the Compensation Board, shall conduct a comparison of General Registrars' salaries, in relation to other local constitutional officers' salaries, between the years 1981 and 2018. Additionally, the Department shall prepare an analysis detailing the duties and job responsibilities for general registrars. The Department shall submit this information to the Chairmen of the Senate Finance and House Appropriations Committees by September 1, 2019.

~~J. Out of this appropriation, $147,308 the second year from the general fund is provided to fund expenses incurred by the Department associated with the 2020 presidential primary.~~

K. It is the intent of the General Assembly that the Department of Elections release a Request for Information in fiscal year 2020 related to the replacement of the Virginia Election and Registration Information System (VERIS). The Department shall provide an update to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee on the options and potential costs for replacing VERIS on or before October 1, 2020.

L.1. It is the intent of the General Assembly that federal awards from the Help America Vote Act of 2002 (HAVA) under P.L. 116-93 be used to replace the Virginia Election and Registration Information System (VERIS) by July 1, 2022. Out of the amounts included in this item, $10,175,711 in the second year from nongeneral fund HA VA grants is provided to the Department of Elections.

2. The State Comptroller shall not release the nongeneral funds appropriated in this paragraph until the Department of Elections has submitted a plan outlining the use of funds to the Elections Assistance Commission (EAC), on or before May 1, 2020. The Department shall also submit this plan to the Director of the Department of Planning and Budget, and the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee on or before May 1, 2020.

3. The Department of Elections, may consider utilizing HA VA funding to assist localities in complying with election security standards established by Chapter 426 of the Acts of Assembly of 2019, if the cost estimates from the Request for Information (RFI) for the replacement of the Virginia Election Registration Information System (VERIS) are less than the total amounts appropriated in this item.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
84. Not set out.				
Total for Department of Elections.....			**$18,074,622**	~~**$22,072,009**~~ **$32,100,412**
General Fund Positions.....	43.00	49.00		
Position Level.....	43.00	49.00		
Fund Sources: General.....	$18,022,372	~~$19,019,759~~ $18,872,451		
Special.....	$52,250	$52,250		
Trust and Agency.....	$0	~~$3,000,000~~ $13,175,711		
84.10 Not set out.				
84.20 Not set out.				
84.30 Not set out.				
84.40 Not set out.				
84.50 Not set out.				
84.60 Not set out.				
84.70 Not set out.				
TOTAL FOR OFFICE OF ADMINISTRATION			**$3,571,663,488**	~~**$3,553,556,906**~~ **$3,563,297,357**
General Fund Positions.....	368.46	377.46		
Nongeneral Fund Positions.....	731.54	737.94		
Position Level.....	1,100.00	1,115.40		
Fund Sources: General.....	$736,141,756	~~$739,964,258~~ $740,066,950		
Special.....	$20,756,576	$20,487,686		
Enterprise.....	$572,469,717	$573,355,332		
Internal Service.....	$2,072,535,537	~~$2,043,345,975~~ $2,042,808,023		
Trust and Agency.....	$126,963,534	~~$134,971,776~~ $145,147,487		
Dedicated Special Revenue.....	$35,346,638	$34,236,501		
Federal Trust.....	$7,449,730	$7,195,378		

OFFICE OF AGRICULTURE AND FORESTRY

	Item Details($)		Appropriations($)	

	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
85. Not set out.				
86. Not set out.				
87. Not set out.				
88. Not set out.				
89. Not set out.				
90. Not set out.				
91. Not set out.				
92. Not set out.				
93. Not set out.				
94. Not set out.				
95. Not set out.				
96. Not set out.				
97. Not set out.				
98. Not set out.				
99. Not set out.				
100. Not set out.				
101. Not set out.				
TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY.....			**$111,373,547**	**$111,502,547**
General Fund Positions.....	498.59	498.59		
Nongeneral Fund Positions.....	337.41	337.41		
Position Level.....	836.00	836.00		
Fund Sources: General.....	$56,854,686	$56,968,686		
Special.....	$19,959,447	$19,959,447		
Trust and Agency.....	$7,170,138	$7,170,138		
Dedicated Special Revenue.....	$10,810,980	$10,810,980		
Federal Trust.....	$16,578,296	$16,593,296		

OFFICE OF COMMERCE AND TRADE

§ 1-7. SECRETARY OF COMMERCE AND TRADE (192)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
102. Not set out.				

Economic Development Incentive Payments (312)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
103. Economic Development Services (53400).....			$47,964,808	~~$93,823,498~~ $94,823,498
Financial Assistance for Economic Development (53410).....	$47,964,808	~~$93,823,498~~ $94,823,498		
Fund Sources: General.....	$41,684,808	$87,912,498		
Special.....	$6,130,000	$5,761,000		
Dedicated Special Revenue.....	$150,000	~~$150,000~~ $1,150,000		

Authority: Discretionary Inclusion.

A.1. Out of the appropriation for this Item, $19,750,000 the first year and $19,750,000 the second year from the general fund shall be deposited to the Commonwealth's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds shall be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance Committees, to attract economic development prospects to locate or expand in Virginia. If the Governor, pursuant to the provisions of § 2.2-115, E.I., Code of Virginia, determines that a project is of regional or statewide interest and elects to waive the requirement for a local matching contribution, such action shall be included in the report on expenditures from the Commonwealth's Development Opportunity Fund required by § 2.2-115, F., Code of Virginia. Such report shall include an explanation on the jobs anticipated to be created, the capital investment made for the project, and why the waiver was provided.

2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans shall be approved by the Governor and made in accordance with procedures established by the Virginia Economic Development Partnership and approved by the State Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid to the general fund of the state treasury. The Governor may establish the interest rate to be charged, otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the State Comptroller as required.

3. Funds may be used for public and private utility extension or capacity development on and off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition: grading, drainage, paving, and other activity required to prepare a site for construction; construction or build-out of publicly-owned buildings; grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision pursuant to their duties or powers; training; or anything else permitted by law.

4. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

5. It is the intent of the General Assembly that the Virginia Economic Development Partnership shall work with localities awarded grants from the Commonwealth's Development Opportunity Fund to recover such moneys when the economic development projects fail to meet minimal agreed-upon capital investment and job creation targets. All such recoveries shall be deposited and credited to the Commonwealth's Development Opportunity Fund.

6. Up to $5,000,000 of previously awarded funds and funds repaid by political subdivisions or business beneficiaries and deposited to the Commonwealth's Development Opportunity Fund may be used to assist Prince George County with site improvements related to the location of a major aerospace engine manufacturer to the Commonwealth.

7. Up to $2,675,000 of previously awarded funds and funds repaid by political subdivisions or business beneficiaries and deposited to the Commonwealth's Development Opportunity Fund may be reallocated to the Virginia Jobs Investment Program Fund and made available for eligible businesses under the Virginia Jobs Investment Program subject to the conditions set forth in § 2.2-2240.3, Code of Virginia.

B.1. Out of the appropriation for this Item, $4,609,210 the first year and $5,236,900 the second year from the general fund shall be deposited to the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia.

2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

D. Out of the appropriation for this Item, $3,000,000 the first year and $3,000,000 the second year from the general fund and an amount estimated at $150,000 the first year and $150,000 the second year from nongeneral funds shall be deposited to the Governor's Motion Picture Opportunity Fund, as established in § 2.2-2320, Code of Virginia. These nongeneral fund revenues shall be deposited to the fund from revenues generated by the digital media fee established pursuant to § 58.1-1731, et seq., Code of Virginia. Such funds shall be used at the discretion of the Governor to attract film industry production activity to the Commonwealth.

E. Out of the appropriation for this Item, $5,500,000 the first year and $5,500,000 the second year from the Aerospace Manufacturing Performance Grant Fund and $630,000 the first year and $261,000 the second year from the Aerospace Manufacturer Workforce Training Grant Fund is hereby appropriated. These funds shall be used for grants in accordance with §§ 59.1 284.20 and 59.1-284.22, Code of Virginia. The Director, Department of Planning and Budget shall transfer these funds to the impacted state agencies upon request to the Director, Department of Planning and Budget by the respective state agency.

F.1. Out of the appropriation for this Item, $4,400,000 the first year and $3,000,000 the second year from the general fund shall be deposited to the Virginia Economic Development Incentive Grant subfund of the Virginia Investment Partnership Grant Fund, and $1,000,000 the second year from the Virginia Economic Development Incentive Grant Fund is hereby appropriated. The appropriation is to be used to pay investment performance grants in accordance with § 2.2-5102.1, Code of Virginia.

2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

3. Notwithstanding § 2.2-5102.I.E. or any other provision of law, and subject to appropriation by the General Assembly, up to $8,000,000 in economic development incentive grants is authorized for eligible projects to be awarded on or after July 1, 2017, but before June 30, 2019. Any eligible project awarded such grants shall be subject to the conditions set forth in § 2.2-5102.1. Any additional grant awards not authorized by this act, including any awards after June 30, 2019, shall require separate legislation.

G.1. Out of the appropriation for this Item, $3,750,000 the first year and $3,750,000 the second year from the general fund shall be provided for the Virginia Biosciences Health Research Corporation (VBHRC), a non-stock corporation research consortium initially comprised of the University of Virginia, Virginia Commonwealth University, Virginia Polytechnic Institute and State University, George Mason University and the Eastern Virginia Medical School. The consortium will contract with private entities, foundations and other governmental sources to capture and perform research in the biosciences, as well as promote the development of bioscience infrastructure tools which can be used to facilitate additional research activities. The Director, Department of Planning and Budget, is authorized to provide these funds to the non-stock corporation research consortium referenced in this paragraph upon request filed with the Director, Department of Planning and Budget by VBHRC.

2. Of the amounts provided in G.1. for the research consortium, up to $3,750,000 the first year and $3,750,000 the second year may be used to develop or maintain investments in research infrastructure tools to facilitate bioscience research.

3. The remaining funding shall be used to capture and perform research in the biosciences and must be matched at least dollar-for-dollar by funding provided by such private entities, foundations and other governmental sources. No research will be funded by the consortium unless at least two of the participating institutions, including the five founding institutions and any other institutions choosing to join, are actively and significantly involved in collaborating on the research. No research will be funded by the consortium unless the research topic has been vetted by a scientific advisory board and holds potential for high impact near-term success in generating other sponsored research, creating spinoff companies or otherwise creating new jobs. The consortium will set guidelines to disburse research funds based on advisory board findings. The consortium will have near-term sustainability as a goal, along with corporate-sponsored research gains, new Virginia company start-ups, and job creation milestones.

4. Other publicly-supported institutions of higher education in the Commonwealth may choose to join the consortium as participating institutions. Participation in the consortium by the five founding institutions and by other participating institutions choosing to join will require a cash contribution from each institution in each year of participation of at least $50,000.

5. Of these funds, up to $500,000 the first year and $500,000 the second year may be used to pay the administrative, promotional and legal costs of establishing and administering the consortium, including the creation of intellectual property protocols, and the publication of research results.

6. The Virginia Economic Development Partnership, in consultation with the publicly-supported institutions of higher education in the Commonwealth participating in the consortium, shall provide to the Governor, and the Chairmen of the Senate Finance and House Appropriations committees, by November 1 of each year a written report summarizing the activities of the consortium, including, but not limited to, a summary of how any funds disbursed to the consortium during the previous fiscal year were spent, and the consortium's progress during the fiscal year in expanding upon existing research opportunities and stimulating new research opportunities in the Commonwealth.

7. The accounts and records of the consortium shall be made available for review and audit by the Auditor of Public Accounts upon request.

8. Up to $2,500,000 of the funds managed by the Commonwealth Health Research Board (CHRB), created pursuant to § 32.1-162.23, Code of Virginia, shall be directed toward collaborative research projects, approved by the boards of the VBHRC and CHRB, to support Virginia's core bioscience strengths, improve human health, and demonstrate commercial viability and a high likelihood of creating new companies and jobs in Virginia.

H. Out of the appropriation for this Item, $5,669,833 the first year and $2,669,833 the second year from the general fund shall be available for eligible businesses under the Virginia Jobs Investment Program. Pursuant to § 2.2-1611, Code of Virginia, the appropriation provided for the Virginia Jobs Investment Program for eligible businesses shall be deposited to the Virginia Jobs Investment Program Fund.

I. Out of the appropriation for this Item, $500,000 the first year and $500,000 the second year from the general fund may be provided to the Virginia Economic Development Partnership to facilitate additional domestic and international marketing and trade missions approved by the Governor. The Director, Department of Planning and Budget, is authorized to provide these funds to the Virginia Economic Development Partnership upon written approval of the Governor.

J. Out of the amounts in this item, $50,000,000 the second year from the general fund shall be deposited to the Semiconductor Manufacturing Grant Fund for the award of grants to a qualified semiconductor manufacturing company in a qualified locality in accordance with legislation enacted by the 2019 General Assembly and subject to performance metrics agreed to in a memorandum of understanding with the Commonwealth.

	Item Details($)		Appropriations(	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Economic Development Incentive Payments.....			**$47,964,808**	~~**$93,823,498**~~ **$94,823,498**
Fund Sources: General.....	$41,684,808	$87,912,498		
Special.....	$6,130,000	$5,761,000		
Dedicated Special Revenue.....	$150,000	~~$150,000~~ $1,150,000		
Grand Total for Secretary of Commerce and Trade.....			**$48,900,993**	~~**$94,899,683**~~ **$95,899,683**
General Fund Positions.....	9.00	9.00		
Position Level.....	9.00	9.00		
Fund Sources: General.....	$42,620,993	$88,988,683		
Special.....	$6,130,000	$5,761,000		
Dedicated Special Revenue.....	$150,000	~~$150,000~~ $1,150,000		

104. Not set out.

§ 1-8. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (165)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
105. Housing Assistance Services (45800).....			$71,902,939	~~$69,673,655~~ $76,673,655
Housing Assistance (45801).....	$40,321,044	~~$36,321,044~~ $43,321,044		
Homeless Assistance (45804).....	$13,037,143	$13,141,193		
Financial Assistance for Housing Services (45805).....	$18,544,752	$20,211,418		
Fund Sources: General.....	$24,880,355	~~$22,651,071~~ $29,651,071		
Special.....	$344,537	$344,537		
Dedicated Special Revenue.....	$100,000	$100,000		
Federal Trust.....	$46,578,047	$46,578,047		

Authority: Title 36, Chapters 8, 9, and 11; and Title 58.1, Chapter 3, Articles 4 and 13, Code of Virginia.

A. Out of the amounts in this Item, $3,482,705 from the general fund, $100,000 from dedicated special revenue, and $3,427,000 from federal trust funds the first year and $3,482,705 from the general fund, $100,000 from dedicated special revenue, and $3,427,000 from federal trust funds the second year shall be provided to support services for persons at risk of or experiencing homelessness and housing for populations with special needs, and $4,050,000 the first year and $4,050,000 the second year from the general fund shall be provided for homeless prevention. Of the general fund amount provided, the department is authorized to use up to two percent in each year for program administration. The amounts allocated for services for persons at risk of or experiencing homelessness shall be matched through local or private sources. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2019, and June 30, 2020, shall not revert to the general fund but shall be carried forward and reappropriated.

B. The department shall report to the Chairmen of the Senate Finance, the House Appropriations Committees, and the Director, Department of Planning and Budget, by November 4 of each year on the state's homeless programs, including, but not limited to, the number of (i) emergency shelter beds, (ii) transitional housing units, (iii) single room occupancy dwellings, (iv) homeless intervention programs, (v) homeless prevention programs, and (vi) the number of homeless individuals supported by the permanent housing state funding on a locality and statewide basis and the accomplishments achieved by the additional state funding provided to the program in

the first year. The report shall also include the number of Virginians served by these programs, the costs of the programs, and the financial and in-kind support provided by localities and nonprofit groups in these programs. In preparing the report, the department shall consult with localities and community-based groups.

C. Out of the amounts in this Item, $1,100,000 the first year and $1,100,000 the second year from the general fund shall be provided for rapid re-housing efforts. In keeping with the specific goals of the Balance of State Continuum of Care, $200,000 of this amount in each year shall be focused on ensuring that no veteran is homeless or in a shelter for more than 30 days. These funds shall be used to supplement other state and federal programs, shall be directed to areas throughout the state where federal funds are not available, and shall be used to serve those veterans ineligible for federal benefits.

D. The department shall continue to collaborate with the Department of Veteran Services to ensure coordinated efforts towards reducing homelessness among veterans.

E.1. Out of the amounts in this Item, $11,000,000 the first year and ~~$7,000,000~~ $14,000,000 the second year from the general fund shall be deposited to the Virginia Housing Trust Fund, established pursuant to § 36-142 et seq., Code of Virginia. Notwithstanding § 36-142, Code of Virginia, when awarding grants through eligible organizations for targeted efforts to reduce homelessness, priority consideration shall be given to efforts to reduce the number of homeless youth and families.

2. As part of the plan required by § 36-142 E., Code of Virginia, the department shall also report on the impact of the loans and grants awarded through the fund, including but not limited to: (i) the number of affordable rental housing units repaired or newly constructed, (ii) the number of individuals receiving down payments and/or closing assistance, and (iii) the progress and accomplishments in reducing homelessness achieved by the additional support provided through the fund.

F. Out of the amounts in this Item, $15,800,000 the first year and $15,800,000 the second year from federal trust funds shall be provided to support Virginia affordable housing programs and the Indoor Plumbing Program.

G. Out of the amounts in this Item, $50,000 the first year and $50,000 the second year from the general fund and one position shall be provided to support the administrative costs associated with administering the tax credits authorized pursuant to § 58.1-435, Code of Virginia.

H. The department shall develop and implement strategies, that may include potential Medicaid financing, for housing individuals with serious mental illness. The department shall include other agencies in the development of such strategies including the Virginia Housing Development Authority, Department of Behavioral Health and Developmental Services, Department of Aging and Rehabilitative Services, Department of Medical Assistance Services, and Department of Social Services. The department shall also include stakeholders whose constituents have an interest in expanding supportive housing for people with serious mental illness, including the National Alliance on Mental Illness Virginia, the Virginia Housing Alliance and the Virginia Sheriffs Association. An annual report on such strategies and the progress on implementation shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees by the first day of each General Assembly Regular Session.

I. The Department of Housing and Community Development shall work with the Virginia Housing Commission to identify the impact of legislation that passed the 2019 session of the General Assembly that is designed to mitigate eviction rates and recommend if any further action is necessary to complement these efforts. The Department shall consider current federal, state and local resources, including but not limited to the following: (a) current counseling and social services provided by state agencies and authorities: (b) the potential needs of the cities of Richmond, Newport News, Hampton, Norfolk, and Chesapeake, as well as eviction prevention and diversion programs established in the cities of Arlington and Richmond: (c) data collected pursuant to Senate Bill 1450: and, (d) eviction prevention and diversion programs in other states. The Department shall analyze and recommend how to better coordinate current public and private resources and programs to reduce eviction rates in Virginia, as well as how current prevention efforts can coordinate with existing and newly created eviction diversion laws and programs.

	Item Details($)		Appropriations	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
106. Not set out.				
107. Not set out.				
108. Not set out.				
109. Not set out.				
110. Not set out.				
Total for Department of Housing and Community Development			**$161,990,156**	~~$182,110,872~~ $189,110,872
General Fund Positions	60.25	~~61.25~~ 63.25		
Nongeneral Fund Positions	51.75	51.75		
Position Level	112.00	~~113.00~~ 115.00		
Fund Sources: General	$88,905,720	~~$109,026,436~~ $116,026,436		
Special	$3,144,570	$3,144,570		
Trust and Agency	$150,000	$150,000		
Dedicated Special Revenue	$400,000	$400,000		
Federal Trust	$69,389,866	$69,389,866		
111. Not set out.				
112. Not set out.				
113. Not set out.				
114. Not set out.				
115. Not set out.				
116. Not set out.				
117. Not set out.				
118. Not set out.				
119. Not set out.				

120. Not set out.

121. Not set out.

122. Not set out.

§ 1-9. VIRGINIA EMPLOYMENT COMMISSION (182)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
123. Workforce Systems Services (47000).....			$557,581,011	$552,381,011
Job Placement Services (47001).....	$31,658,869	$31,658,869		
Unemployment Insurance Services (47002).....	$525,045,012	$519,845,012		
Workforce Development Services (47003).....	$877,130	$877,130		
Fund Sources: Special.....	$6,018,987	$6,018,987		
Trust and Agency.....	$551,562,024	$546,362,024		

Authority: Title 60.2, Chapters 1 through 6, Code of Virginia.

A. Revenues deposited into the Special Unemployment Compensation Administration Fund shall be used for the purposes set out in the following order of priority: 1) to make payment of any interest owed on loans from the U.S. Treasury for payment of unemployment compensation benefits; 2) to support essential services of the Commission, particularly in the event of reductions in federal funding: 3) to finance the cost of capital projects; and 4) to fund the discretionary fund established in § 60.2-315, Code of Virginia. Funding may be transferred from the capital budget to the operating budget consistent with this language.

B.1. Reed Act funds distributed by the Employment Security Financing Act of 1954 with respect to the federal fiscal years 1956, 1957, and 1958 and credited to the agency from the proceeds related to the sale of agency property with federal equity are hereby appropriated (up to $600,000) to maintain service levels in the agency's local offices.

2. Reed Act funds distributed by the Balanced Budget Act of 1997 and credited to the unemployment trust fund with respect to federal fiscal years 2000, 2001, and 2002, under § 1103 of the Social Security Act (42 U.S.C.), as amended, shall be used only for the administration of the unemployment compensation program, under the direction of the Virginia Employment Commission, and shall not be subject to the requirements of § 60.2-305, Code of Virginia. Reed Act funds from the Balanced Budget Act are hereby appropriated (up to $2.2 million, not to exceed the balance of said Reed Act funds) to pay for upgrading the information technology systems at the Virginia Employment Commission.

C. There is hereby appropriated out of the funds made available to this state under § 1103 of the Social Security Act (42 U.S.C.) as amended, the balance of the $51,067,866 of Reed Act funds, if any, provided in Item 120 E. of Chapter 847, 2007 Acts of Assembly, for upgrading obsolete information technology systems, to include staff costs. This appropriation is subject to the provisions of § 60.2-305, Code of Virginia. Savings as a result of the new systems shall be retained by the commission.

D. Notwithstanding any other provision of law, all fees incurred by the Virginia Employment Commission with respect to the collection of debts authorized to be collected under § 2.2-4806 of the Code of Virginia, using the Treasury Offset Program of the United States, shall become part of the debt owed the Commission and may be recovered accordingly.

E. Workforce development programs shall give priority to assisting Medicaid enrollees who are required to participate in the Training, Education, Employment and Opportunity Program to the extent allowed by federal law.

F. The Governor shall have the authority to alter the administration of the provisions of The Virginia Unemployment Compensation Act, Title 60.2 of the Code of Virginia, to meet the exigencies of a health emergency crisis.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
124. Not set out.				
125. Not set out.				
Total for Virginia Employment Commission.....			**$560,608,306**	**$555,408,306**
Nongeneral Fund Positions.....	865.00	865.00		
Position Level.....	865.00	865.00		
Fund Sources: Special.....	$6,547,987	$6,547,987		
Trust and Agency.....	$554,060,319	$548,860,319		

§ 1-10. VIRGINIA TOURISM AUTHORITY (320)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
126. Tourist Promotion (53600).....			$21,035,424	~~$21,235,424~~ $21 335 424

Tourist Promotion Services (53607).....	$21,035,424	~~$21,235,424~~ $21,335,424
Fund Sources: General.....	$21,035,424	~~$21,235,424~~ $21,335,424

Authority: Title 2.2, Chapter 22, Article 8, Code of Virginia.

A.1. The Department of Transportation shall pay to the Virginia Tourism Authority $1,200,000 each year for continued operation of the Welcome Centers. The Department of Transportation shall fund maintenance at each facility based on the agreed-upon service levels contained in the Memorandum of Agreement between the Virginia Tourism Authority and the Department of Transportation. Included in the amounts in this paragraph is $100,000 each year for maintenance of the Danville Welcome Center.

2. To the extent necessary to fund the operations of the Welcome Centers, the Virginia Tourism Authority is authorized to collect fees paid by businesses for display space at the Welcome Centers.

B. Upon authorization of the Governor, the Virginia Tourism Authority may transfer funds appropriated to it by this act to a nonstock corporation.

C. Prior to July 1 of each fiscal year, the Virginia Tourism Authority shall provide to the Chairmen of the House Appropriations and Senate Finance Committees and the Director, Department of Planning and Budget a report of its operating plan. Prior to September 1 of each fiscal year, the authority shall provide to the Chairmen of the House Appropriations and Senate Finance Committees and the Director, Department of Planning and Budget a detailed expenditure report and a listing of the salaries and bonuses for all authority employees for the prior fiscal year. All three reports shall be prepared in the formats as previously approved by the Department of Planning and Budget.

D. The State Comptroller shall disburse the first and second year appropriations in twelve equal monthly installments. The Director, Department of Planning and Budget may authorize an increase in disbursements for any month, not to exceed the total appropriation for the fiscal year, if such an advance is necessary to meet payment obligations.

E.1. Out of the amounts in this Item, $2,475,000 the first year and $2,875,000 the second year from the general fund is provided for grants to regional and local tourism authorities and other tourism entities to support their efforts. From the grants provided from the amounts included in this paragraph, priority consideration shall be given to funding for the Daniel Boone Visitor Center, as well as $100,000 the first year and $200,000 the second year to the Coalfield Regional Tourism Authority, and $50,000 the first year and $50,000 the second year for events sponsored by Special Olympics Virginia, $550,000 the first year and $850,000 the second year to the Southwest Virginia Regional Recreation Authority for the Spearhead Trails initiative, and $125,000 the first year and $125,000 the second year to the City of Virginia Beach for a regional tourism entity.

2. Out of the amounts in this paragraph provided for the Southwest Virginia Regional Recreation Authority, up to $25,000 the second year from the general fund, shall be provided to establish a peer-support program for Virginia veterans in partnership with the Spearhead Trails initiative. The Virginia Department of Behavioral Health and Developmental Services and the Virginia Department of Veterans Services shall provide assistance in establishing such program upon the request of the board of the Southwest Regional Recreation Authority.

F. The Virginia Tourism Authority shall place a high priority on marketing rural areas of the state.

G. Out of the amounts in this Item, $3,100,000 in the first year and $3,100,000 in the second year from the general fund is provided to supplement appropriations to promote Virginia's tourism industries through an enhanced advertising campaign. Of these amounts, at least $1,000,000 the first year and $1,000,000 the second year shall be used to support a cooperative advertising program to partner with private sector tourism businesses and regional tourism entities to advertise Virginia as a tourism destination. The state dollars shall be used to incentivize private and regional tourism marketing funds on a $1.00 for $1.00 basis whereby the Virginia Tourism Corporation shall enter into agreements to undertake joint advertising purchases to promote Virginia and specific facilities with private sector and regional partners.

H. Out of the amounts in this Item, $330,012 the first year and $330,012 the second year from the general fund is provided to promote and advertise tourism in Virginia. These amounts include $130,012 in the first year and $130,012 in the second year for "See Virginia First," a partnership operated by the Virginia Association of Broadcasters to advertise Virginia Tourism, provided the Association contributes a total of at least $390,036 in television and radio advertising value to promote tourism in Virginia in the first year and $390,036 in the second year. Also included in these amounts is $100,000 the first year and $100,000 the second year to promote Virginia Parks, and $100,000 the first year and $100,000 the second year to promote Virginia's wineries.

I. Out of the amounts in this Item, $497,544 the first year and $497,544 the second year from the general fund is provided to purchase media in the Washington, D.C., Virginia, and Baltimore, Maryland markets through the "See Virginia First," a partnership operated by the Virginia Association of Broadcasters, in association with its affiliates in other states in the region, provided that the Association can obtain contributions of at least $1,492,632 the first year and $1,492,632 the second year in television, radio and station-related internet advertising value to promote tourism in Virginia.

J. Out of the amounts in this Item, $400,000 the first year and $450,000 the second year from the general fund is provided as an incentive to establish nonstop air service between Indira Gandhi International Airport and Washington Dulles International Airport in accordance with a signed agreement entered into with the Virginia Tourism Corporation. Such agreement shall include provisions requiring a minimum of three nonstop round-trip flights per week, a load factor, and that the incentive payments be repaid or reduced proportionately if such conditions are not met.

K. Out of the amounts in this Item, $150,000 the first year and $150,000 the second year from the general fund is provided to support a tourism development initiative in the County of Henrico.

L. Out of the amounts in this item, $250,000 the first year from the general fund is provided as the state's contribution towards infrastructure costs in order to host the FEI Nation's Cup of Eventing at Great Meadow, The Plains.

M. Out of the amounts in this item, $25,000 the first year and $25,000 the second year from the general fund is provided to support the Carver Price Legacy Museum.

N. With such funds as are available, the Virginia Tourism Authority shall collaborate with "Opening Doors for Virginians with Disabilities" to maintain and update the Opening Doors for Virginians with Disabilities travel guide and establish a more user-friendly link to this information on the Virginia Tourism Corporation website home page.

O. Out of the amounts in this item, $100,000 the second year from the general fund is provided to the City of Portsmouth to support a marketing and promotional awareness campaign for the 40th anniversary of the Children's Museum of Virginia.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Virginia Tourism Authority.....			$21,035,424	~~$21,235,424~~ $21,335,424
Fund Sources: General.....	$21,035,424	~~$21,235,424~~ $21,335,424		
126.10 Not set out.				
TOTAL FOR OFFICE OF COMMERCE AND TRADE.....			$931,595,985	~~$996,220,26~~ $1,004,320,2
General Fund Positions.....	370.34	~~371.34~~ 373.34		
Nongeneral Fund Positions.....	1,307.66	1,307.66		
Position Level.....	1,678.00	~~1,679.00~~ 1,681.00		
Fund Sources: General.....	$231,498,812	~~$302,298,973~~ $309,398,973		
Special.....	$27,524,327	$26,920,327		
Commonwealth Transportation.....	$1,592,572	$1,592,572		
Trust and Agency.....	$554,835,319	$549,635,319		
Dedicated Special Revenue.....	$25,848,945	~~$25,477,060~~ $26,477,060		
Federal Trust.....	$90,296,010	$90,296,010		

OFFICE OF EDUCATION

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
127. Not set out.				

§ 1-11. DEPARTMENT OF EDUCATION, CENTRAL OFFICE OPERATIONS (201)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
128. Not set out.				
129. Special Education and Student Services (18200).....			$16,492,613	$16,985,368
Special Education Instructional Services (18201).....	$9,907,986	$9,907,986		
Special Education Administration and Assistance Services (18202).....	$1,043,459	$1,043,459		
Special Education Compliance and Monitoring Services (18203).....	$3,058,297	$3,551,052		
Student Assistance and Guidance Services (18204).	$2,482,871	$2,482,871		
Fund Sources: General.....	$1,903,579	$2,396,334		
Special.....	$120,000	$120,000		
Federal Trust.....	$14,469,034	$14,469,034		

Authority: Special Education Instructional Services: §§ 22.1-213 through 22.1-221, 22.1-253.13:1 through 22.1-253.13:8, 22.1-319 through 22.1-332, Code of Virginia; P.L. 108-446, Federal Code.

Special Education Administration and Assistance Services: §§ 22.1 253.13:1 through 22.1-253.13:8, Code of Virginia; P.L. 108-446, Federal Code.

Special Education Compliance and Monitoring Services: §§ 22.1-213 through 22.1-221, 22.1-253.13:1 through 22.1-253.13:8, 22.1-319 through 22.1-332, Code of Virginia; P.L. 108-446, Federal Code.

Student Assistance and Guidance Services: Title 22.1, Chapters 1, 13, 14, 16; §§ 22.1-16.2, 22.1-17.1, 22.1-17.2, 22.1-199.4, 22.1-206, 22.1-207.1, 22.1-208.01, 22.1-209.2, Code of Virginia; P.L. 107-110 and P.L. 108-446, Federal Code.

A. The Department of Education, in collaboration with the Office of Children's Services, shall provide training to local staff serving on Family Assessment and Planning Teams and Community Policy and Management Teams. Training shall include, but need not be limited to, the federal and state requirements pertaining to the provision of the special education services funded under § 2.2-5211, Code of Virginia. The training shall also include written guidance concerning which services remain the financial responsibility of the local school divisions. In addition, the Department of Education shall provide ongoing local oversight of its federal and state requirements related to the provision of services funded under § 2.2-5211, Code of Virginia.

B. The Board of Education shall consider the caseload standards for speech-language pathologists as part of its review of the Standards of Quality, pursuant to § 22.1-18.01, Code of Virginia.

C. The Board of Education shall consider the inclusion of instructional positions needed for blind and visually impaired students enrolled in public schools and shall consider developing a caseload requirement for these instructional positions as part of its review of

the Standards of Quality, pursuant to § 22.1-18.01, Code of Virginia.

D. Out of this appropriation, $447,416 the first year and $447,416 the second year from the general fund is provided to the Department of Education to provide training, technical assistance, and on-site coaching to public school teachers and administrators on implementation of a positive behavioral interventions and supports program with the goal of improving school climate and reducing disruptive behavior in the classroom. Such training and other assistance may be provided as part of the Department's ongoing efforts to assist schools with implementation of a tiered system of supports that addresses both academic and behavioral needs.

E. Out of this appropriation, $290,000 the first year and $290,000 the second year from the general fund and $290,000 the first year and $290,000 the second year from federal funds shall be used for Multisensory Structured Literacy teacher training.

F. Out of this appropriation, $492,755 the second year from the general fund is provided to support statewide training and assistance for local school divisions to implement the Board of Education's Regulations Governing the Use of Seclusion and Restraint in Public Elementary and Secondary Schools in Virginia. Any state funds provided to local school divisions in fiscal year 2020 to implement the Board of Education's Regulations Governing the Use of Seclusion and Restraint in Public Elementary and Secondary Schools in Virginia that are unexpended as of June 30, 2020, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for the same purpose.

G.1. The Department of Education shall serve as the lead agency to collect and report data that succinctly measures the progress and outcomes of students that are placed in private provider settings by such student's public school of residence in Virginia or have been placed in a private provider facility by other legal means for which the Commonwealth is responsible for providing education. In keeping with the November 1, 2018, Private Day Special Education Outcomes report's findings and recommendations, the data shall include at least student attendance rates, graduation rates, individual student progress improvement rates relative to student individual education plans, standardized test scores, return to public school setting percentages, suspension and expulsion rates, transition to enrolling in post-secondary education percentages, and parental and student perspectives.

2. The Department of Education, in collaboration with the Office of Children's Services, shall establish an implementation advisory group to assist in refining the outcome measures contained in paragraph G.1 of this item and the collection of any additional information that is beneficial in determining and measuring outcomes of such students in private day school settings that ensure a consistent set of comparable and compatible data relative to such data of students enrolled in the public schools in Virginia and who have an individualized education plan. The advisory workgroup shall include a representative number of various stakeholders that includes, but is not limited to, private day schools, local school divisions, associations that represent private providers, and others as necessary. The advisory group shall assist in the development of data collection protocols, requirements, and outcome reporting mechanisms. The relevant data shall be provided to the department annually by each private provider that receives state funding for the purpose of providing services as prescribed in such student's individualized education plan.

3. The department shall begin collecting outcome data for private day special education schools in the 2019-2020 school year, if possible, but no later than the 2020-2021 school year. If warranted, other state agencies shall provide appropriate support to facilitate the collection of such data. All public school divisions that have students enrolled in such a private provider facility shall include in their contract for services with the private provider a requirement for the department to receive the data necessary to satisfy the data collections and subsequent reporting requirements. The department shall report annually on the outcome data for students enrolled in special education private day schools to Chairmen of the House Appropriations, House Education, Senate Finance, and Senate Education and Health Committees by the first day of the regular General Assembly Session.

4. The Department of Education shall enter into a data sharing Memorandum of Understanding with the Office of Children's Services to allow linkage of specific student data to specific private day schools.

5. The Department of Education and the Office of Children's Services shall have authority to implement these changes effective July 1, 2019, and prior to the completion of any regulatory process undertaken in order to effect such changes.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
130. Not set out.				
131. Not set out.				
132. Not set out.				
133. Not set out.				
134. Administrative and Support Services (19900).....			$20,519,856	$21,098,429
General Management and Direction (19901).....	$3,951,175	$3,951,175		
Information Technology Services (19902).....	$10,128,307	$10,393,773		
Accounting and Budgeting Services (19903).....	$4,337,930	$4,622,037		
Policy, Planning, and Evaluation Services (19929)..	$2,102,444	$2,131,444		
Fund Sources: General.....	$17,294,254	$17,872,827		
Special.....	$2,349,281	$2,349,281		
Federal Trust.....	$876,321	$876,321		

Authority: Article VIII, Sections 2, 4, 5, 6, 8, Constitution of Virginia; Title 2.2, Chapters 10, 12, 29, 30, 31, and 32; Title 22.1, 22.1-8 through 20, 22.1-21 through 24; Title 51.1, Chapters 4, 5, 6.1, and 11; Title 60.2, Chapters 60.2-100, 60.2-106; Title 65.2, Chapters 1, 6, and 9, Code of Virginia; P.L. 108-446, P.L. 107-110, Federal Code.

A. Out of this appropriation, $9,000 the first year and $9,000 the second year from the general fund is designated to support annual membership dues to the Southern Regional Education Board. In addition, $5,000 the first year and $5,000 the second year from the general fund is designated to pay registration and travel expenses of citizens appointed as Virginia commissioners for the Southern Regional Education Board.

B. Out of this appropriation $70,000 the first year and $79,000 the second year from the general fund is provided for the fees and travel expenses associated with the Interstate Compact on Educational Opportunity for Military Children, established pursuant to Chapter 187, of the 2009 Acts of Assembly.

C. The Department of Education is authorized to collect proceeds from the sale of educational resources it has developed, such as technology applications, on-line course content, assessments, and other educational content, to out-of-state individuals or entities and to

in-state, for-profit entities. The Department of Education is further authorized to deposit such proceeds in a non-reverting special fund account established in its financial records for this purpose. Net proceeds from such sales shall be expended by the Department of Education to further develop existing educational resources or to create new educational resources for the benefit of the commonwealth's public schools and which may also be sold under the provisions of this paragraph. The Secretary of Administration shall authorize any licensing agreements executed by the Department of Education pursuant to this paragraph.

D. Out of this appropriation, $34,625 the first year and $34,625 the second year from the general fund shall be used to provide performance evaluation training to teachers, principals, division superintendents, and other affected school division personnel in support of the transition from continuing employment contracts to annual employment contracts for teachers and principals.

E. Included in this appropriation is $624,713 the first year and $624,713 the second year from the general fund to cover ongoing operational and maintenance costs of the Performance Budgeting System and the Cardinal System charged to Direct Aid for Public Education.

F. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund is provided for the Board of Education, in consultation with the Standards of Learning Innovation Committee, to continue redesigning the School Performance Report Card so that it is more effective in communicating to parents and the public regarding information about the status and achievements of the schools and school divisions.

G. Out of this appropriation, $500,000 the first year and $500,000 the second year is provided from the general fund for the Department of Education to develop a growth scale for the existing Standards of Learning mathematics and reading assessments. This growth scale should facilitate data-driven school improvement efforts and support the state's accountability and accreditation systems.

H. Out of the amounts in this item, the Department of Education shall develop and administer biennially to individuals holding a license from the Department in each public elementary and secondary school in the Commonwealth a voluntary and anonymous school personnel survey to evaluate school-level teaching conditions and the impact such conditions have on teacher retention and student achievement. Such survey may include questions regarding school leadership, teacher leadership, teacher autonomy, demands on teachers' time, student conduct management, professional development, instructional practices and support, new teacher support, community engagement and support, and facilities and other resources. The Superintendent of Public Instruction shall report the results of any school personnel survey to the Chairmen of the House Committees on Appropriations and Education and to the Senate Committees on Finance and Education and Health annually before the first day of each General Assembly Regular Session. The appropriation in this item meets the requirements of the second enactment of Senate Bill 456, of the 2018 General Assembly Regular Session.

I. Out of this appropriation, $20,000 the second year from the general fund is provided to the Department of Education to work with a partner organization to conduct a brief questionnaire survey to approximately 500 high school students and then produce a number of cross-tabulated results of any key findings.

J. Notwithstanding the provisions set forth in this Act or in § 22.1, Code of Virginia, the Superintendent of Public Instruction may grant temporary flexibility or issue waivers of certain deadlines and requirements that cannot be met due to the state of emergency or school closures resulting from Novel Coronavirus (COVID-19). Such flexibility or waivers may include, but are not limited to, accreditation, testing and assessments, graduation, licensure, including temporary licensure, school calendars, and program applications and reports due to the Department of Education or Board of Education. Such authority only applies to deadlines and requirements for fiscal year 2020 (school year 2019-2020) or fiscal year 2021 (school year 2020-2021). Prior to granting any flexibility or waivers pursuant to this language, the Superintendent of Public Instruction must report to the Secretary of Education and substantiate how the state of emergency or school closures resulting from COVID-19 impacted each deadline or requirement, the proposed alternative, and the affected fiscal and school years. Subsequently, information about waivers or flexibility extended shall be reported to the Board of Education and made available on the agency website.

	Item Details($)		Appropriations	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Department of Education, Central Office Operations			$108,665,168	$121,138,531
General Fund Positions	144.00	149.00		
Nongeneral Fund Positions	185.50	185.50		
Position Level	329.50	334.50		
Fund Sources: General	$61,947,187	$64,519,602		
Special	$5,159,353	$5,159,353		
Commonwealth Transportation	$270,419	$270,419		
Trust and Agency	$679,563	$679,563		
Federal Trust	$40,608,646	$50,509,594		

Direct Aid to Public Education (197)

	Item Details($)		Appropriations(	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
135. Financial Assistance for Educational, Cultural, Community, and Artistic Affairs (14300)			$32,171,945	~~$33,324,222~~ $35,165,708
Financial Assistance for Supplemental Education (14304)	$32,171,945	~~$33,324,222~~ $35,165,708		
Fund Sources: General	$32,171,945	~~$33,324,222~~ $35,165,708		

Authority: Discretionary Inclusion.

Appropriation Detail of Educational, Cultural, Community, and Artistic Affairs (14300)

Supplemental Education Assistance Programs (14304)	FY 2019	FY 2020
Academies of Hampton	$0	$500,763
Achievable Dream	$500,000	$500,000
American Civil War Museum	$0	$1,000,000
Black History Museum and Cultural Center of Virginia	$0	$1,200,000
Career and Technical Education Regional Centers	$660,000	$660,000
Career and Technical Education - Emil and Grace Shihaden Innovation Center	$250,000	$250,000
Career and Technical Education Resource Center	$298,021	$298,021
Career Council at Northern Neck Career & Technical Center	$60,300	$60,300
Charter School Supplement	$100,000	$100,000
College Partnership Laboratory School	$50,000	$50,000
Communities in Schools (CIS)	$1,244,400	$1,244,400
Computer Science Teacher Training	$550,000	$550,000
Great Aspirations Scholarship Program (GRASP)	$400,000	$500,000
High School Program Innovation	$500,000	$500,000
Jobs for Virginia Graduates (JVG)	$573,776	$573,776
National Board Certification Program	$5,250,000	~~$5,393,514~~ $5,035,000
Newport News Aviation Academy - STEM Program	$100,000	$100,000
Petersburg Executive Leadership Recruitment Incentives	$350,000	$350,000
Positive Behavioral Interventions & Support (PBIS)	$1,598,000	$1,598,000
Praxis and Virginia Communication and Literacy Assessment Assistance for Provisionally Licensed Minority Teachers	$50,000	$50,000
Project Discovery	$962,500	$962,500
Robots for Autism Pilot Program	$0	$200,000
Small School Division Assistance	$145,896	$145,896
Southside Virginia Regional Technology Consortium	$108,905	$108,905
Southwest Virginia Public Education Consortium	$124,011	$124,011
STEM Program / Research Study (VA Air & Space Center)	$681,975	$681,975
STEM Competition Team Grants	$200,000	$200,000
Targeted Extended/Enriched School Year and Year-round School Grants	$7,763,312	$7,763,312
Targeted Joint Consolidation School Division Incentive	$0	$400,000
Teach for America	$500,000	$500,000
Teacher Improvement Funding Initiative	$15,000	$15,000
Teacher Recruitment & Retention Grant Programs	$2,123,000	$2,181,000
Teacher Residency Program	$2,000,000	$1,750,000
Van Gogh Outreach Program	$71,849	$71,849
Virginia Early Childhood Foundation (VECF)	$2,750,000	$2,750,000
Virginia Reading Corps	$600,000	$600,000
Virginia Student Training and Refurbishment (VA STAR) Program	$300,000	$300,000
Vision Screening Grants	$391,000	$391,000
Vocational Lab Pilot	$175,000	$175,000
Wolf Trap Model STEM Program	$725,000	$725,000
Total	**$32,171,945**	~~**$33,324,222**~~ **$35,165,708**

A. Out of this appropriation, the Department of Education shall provide $573,776 the first year and $573,776 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 $5,250,000 the first year and ~~$5,393,514~~ $5,035,000 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 $2,123,000 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 general fund is provided for teaching scholarship loans. These scholarships shall be for undergraduate students in college with a cumulative grade point average of at least 2.7, who are nominated by their college, and who meet the criteria and qualifications, pursuant to § 22.1-290.01, Code of Virginia, except as provided herein. Awards shall be made to students who are enrolled full-time or part-time in approved undergraduate or graduate teacher education programs for the top five critical teacher shortage disciplines, however minority students may be enrolled in any content area for teacher preparation. Scholarship recipients may fulfill the teaching obligation by accepting a teaching position, and teaching for at least two years in a school division where 50 percent or more of the students are eligible for free and reduced price lunch. Scholarship recipients who only complete one year of the teaching obligation shall be forgiven for one-half of the scholarship loan amount. Scholarship amounts are based on up to $10,000 per year for full-time students, and shall be prorated for part-time students based on the number of credit hours. The Department of Education shall report annually on the critical shortage teaching areas in Virginia.

a. The Department of Education shall make payments on behalf of the scholarship recipients directly to the Virginia institution of higher education where the scholarship recipient is enrolled full-time or part-time in an approved undergraduate or graduate teacher education program.

b. The Department of Education is authorized to recover total funds awarded as scholarships, or the appropriate portion thereof, in the event that scholarship recipients fail to honor the stipulated teaching obligation.

c. Within the fiscal year, any funds not awarded from this program may be applied toward the other teacher preparation, recruitment, and retention programs under paragraph G.

2. Out of this appropriation, $1,000,000 the first year and $808,000 the second year from the general fund is provided to attract, recruit, and retain high-quality diverse individuals to teach science, technology, engineering, or mathematics (STEM) subjects in Virginia's middle and high schools experiencing difficulty in recruiting qualified teachers. A teacher employed full-time in a Virginia school division who has been issued a five-year Virginia teaching license with an endorsement in Middle Education 6-8: Mathematic, Mathematics-Algebra-I, mathematics, Middle Education 6-8: Science, Biology, Chemistry, Earth and Space Science, physics, or technology education and assigned to a teaching position in a corresponding STEM subject area in a hard-to-staff school is eligible to receive a $5,000 incentive award after the completion of the first, second, and third year of teaching at a hard-to-staff school with a satisfactory performance evaluation and a signed contract in the same school division for the following school year. The maximum incentive award for each eligible teacher is $15,000. Eligibility for access to these incentives shall be determined through an application process whereby school divisions shall apply to the Department of Education. Priority for distribution of these incentives shall be to school divisions experiencing the most acute difficulties in recruiting qualified teachers, as determined using Department of Education criteria. School divisions that have been approved shall advertise the incentive for eligible vacancies and award such funds in accordance with this paragraph. For the purpose of the award of the additional $1,000 to individuals who received funds under this program prior to July 1, 2018, the criteria provided in Chapter 836 of the 2017 Acts of Assembly shall continue to apply. Within the fiscal year, any funds not awarded from this program may be applied toward the other teacher preparation, recruitment, and retention programs under paragraph G.

3. Out of this appropriation, $415,000 the first year and $415,000 the second year from the general fund is provided to help school divisions recruit and retain qualified middle-school mathematics teachers. Within the fiscal year, any funds not awarded from this program may be applied toward the other teacher preparation, recruitment, and retention programs under paragraph G.

4. Out of this appropriation, $250,000 the second year from the general fund is provided for tuition scholarships to be specifically allocated solely for licensed public high school teachers pursuing additional credentialing requirements necessary to be considered faculty who are qualified to teach dual enrollment courses in high schools in their local school division. The Department of Education shall make payments on behalf of the scholarship recipients directly to the Virginia institution of higher education where the scholarship recipient is enrolled full-time or part-time in an approved undergraduate or graduate teacher education program applicable to dual enrollment course curriculum available for public high school students. The lifetime maximum dual enrollment tuition scholarship award for each approved eligible teacher is $7,500. Eligibility for access to these dual enrollment tuition scholarship awards shall be determined through an application process whereby school divisions shall apply to the Department of Education. In the application process, the applying school division shall include: i) an explanation of why such dual enrollment tuition scholarship is warranted, ii) the dual enrollment course or courses that shall be offered by the scholarship recipient's high school and taught by the recipient upon the recipient's successful completion of required coursework for appropriate credentialing to teach such dual enrollment courses, and iii) the projected student enrollment in the recipient taught public high school dual enrollment courses. The Department of Education shall compile and report the application information for each applying school division, and shall also report the number of recipients and amount of tuition awarded to each school division, the institution of higher education receiving tuition, the credentialing area pursued by recipients, and dual enrollment courses offered after the recipient's successful completion of the pursued credentialing. The Department shall submit the report by June 30, 2020, and annually thereafter, to the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health.

H. Out of this appropriation, $400,000 the first year and $500,000 the second year from the general fund shall be distributed to the Great Aspirations Scholarship Program (GRASP) to provide students and families in need access to financial aid, scholarships, and counseling to maximize educational opportunities for students.

I.1. Out of this appropriation, the Department of Education shall provide $1,244,400 the first year and $1,244,400 the second year from the general fund to Communities in Schools. These funds will be used to continue existing Communities in Schools programming in Petersburg and Richmond City, expand programming to all Petersburg schools, and expand the Pathways to Parents as Partners program to two additional Richmond City elementary schools. Further, Communities in Schools is directed to assist the Community School organization with the developing opportunities to establish a Community School program in interested school divisions.

2. The Department of Education, in consultation with Communities In Schools of Virginia and other relevant stakeholders, shall develop, distribute to each local school division, and report to the Governor and General Assembly, no later than November 1, 2019, guidance on best practices for local school divisions to transition existing schools to community schools. Such guidance shall include best practices for removing nonacademic barriers to learning as a means to enhance student academic success in public elementary and secondary schools throughout the Commonwealth.

J. This appropriation includes $100,000 the first year and $100,000 the second year from the general fund for the Superintendent of Public Education to award supplemental grants to charter schools.

K. Out of this appropriation, the Department of Education shall provide $962,500 the first year and $962,500 the second year from the general fund for Project Discovery. These funds are towards the cost of the program in Abingdon, Accomack/Northampton, Alexandria, Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, Cumberland, Danville/Pittsylvania, Fairfax, Franklin/Patrick, Fredericksburg/Spotsylvania, Goochland/Powhatan, Lynchburg, Newport News, Norfolk, Richmond City, Roanoke City, Smyth, Surry/Sussex, Tazewell, Williamsburg/James City, and Wythe and the salary of a fiscal officer for Project Discovery. The Department of Education shall administer the Project Discovery funding distributions to each community action agency. Distributions to each community action agency shall be based on performance measures established by the Board of Directors of Project Discovery. The contract with Project Discovery should specify the allocations to each local program and require the submission of a financial and budget report and program evaluation performance measures.

2. Each participating community action agency shall submit annual performance metrics for services provided through the Project Discovery program that provide measurable evaluations and outcomes of participating students. Such performance metrics shall include evidenced-based data that effectively measure academic improvement outcomes. In addition, the performance metrics shall also include evidenced-based data to evaluate the specific effectiveness of the program for participating students on a longitudinal basis. Further, the performance metrics shall include the coordination and collaboration efforts the program staff regularly have with the school-based personnel, such as teachers and guidance counselors, that support and maximize opportunities of participating students to successfully graduate from high school and then to enroll and graduate from an institution of higher learning. Project Discovery shall submit a comprehensive and cumulative program performance metrics evaluation to the Department of Education and the Chairmen of the House Appropriations and Senate Finance Committees no later than October 1, 2016.

L. Out of this appropriation, the Department of Education shall provide $300,000 the first year and $300,000 the second year from the general fund for the Virginia Student Training and Refurbishment Program.

M. Out of this appropriation, $1,598,000 the first year and $1,598,000 the second year from the general fund is provided to expand the number of schools implementing a system of positive behavioral interventions and supports with the goal of improving school climate and reducing disruptive behavior in the classroom. Such a system may be implemented as part of a tiered system of supports that utilizes evidence-based, system-wide practices to provide a response to academic and behavioral needs. Any school division which desires to apply for this competitive grant must submit a proposal to the Department of Education by June 1 preceding the school-year in which the program is to be implemented. The proposal must define student outcome objectives including, but not limited to, reductions in disciplinary referrals and out-of-school suspension rates. In making the competitive grant awards, the Department of Education shall give priority to school divisions proposing to serve schools identified by the Department as having high suspension rates. No funds awarded to a school division under this grant may be used to supplant funding for schools already implementing the program.

N. Targeted Extended/Enriched School Year and Year-round School Grants Payments

1. Out of this appropriation, $7,150,000 the first year and $7,150,000 the second year from the general fund is provided for a targeted extended/enriched school year or year-round school incentive in order to improve student achievement. Annual start-up grants of up to $300,000 per school may be awarded for a period of up to two years after the initial implementation year. The per school amount may be up to $400,000 in the case of schools that have an Accredited with Conditions status and are rated at Level Three in two or more Academic Achievement for All Students school quality indicators, or schools that had an Accredited with Conditions status and were rated at Level Three in two or more Academic Achievement for All Students school quality indicators when the initial application was made. Schools that qualified for the per school grant up to $400,000 under the previous Standards of Accreditation Denied Accreditation status remain eligible for funding for the initial three year period; after that period, such schools are subject to eligibility under the current Standards of Accreditation . After the third consecutive year of successful participation, an eligible school's grant amount shall be based on a shared split of the grant between the state and participating school division's local composite index. Such continuing schools shall remain eligible to receive a grant based on the 2012 JLARC Review of Year Round Schools' researched base findings.

2. Except for school divisions with schools that are in an Accredited with Conditions status and are rated at Level Three in two or more Academic Achievement for All Students school quality indicators or in a Denied Accreditation status, any other school division applying for such a grant shall be required to provide a twenty percent local match to the grant amount received from either an extended/enriched school year or year-round school start-up or planning grant.

3. In the case of any school division with schools that are in an Accredited with Conditions status and are rated at Level Three in two or more Academic Achievement for All Students school quality indicators or in a Denied Accreditation status that apply for funds, the school division shall also consult with the Superintendent of Public Instruction or designee on all recommendations regarding instructional programs or instructional personnel prior to submission to the local board for approval.

4. Out of this appropriation, $613,312 the first year and $613,312 the second year from the general fund is provided for planning grants of no more than $50,000 each for local school divisions pursuing the creation of new extended/enriched school year or year-round school programs for divisions or individual schools in support of the findings from the 2012 JLARC Review of Year Round Schools. School divisions must submit applications to the Department of Education by August 1 of each year. Priority shall be given to schools based on need, relative to the state accreditation ratings or similar federal designations. Applications shall include evidence of commitment to pursue implementation in the upcoming school year. If balances exist, existing extended school year programs may be eligible to apply for remaining funds.

5. A school division that has been awarded an extended/enriched school year or year-round school start-up grant or planning grant for the development of an extended/enriched school year or year-round school program may spend the awarded grant over two consecutive fiscal years.

6. a) Any such school division receiving funding from a Targeted Extended/Enriched School Year and Year-round School grant shall provide an annual progress report to the Department of Education that evaluates end of year success of the extended/enriched school year or year-round school model implemented as compared to the prior school year performance as measured by an appropriate evaluation matrix no later than September 1 each year.

b) The Department of Education shall develop such evaluation matrix that would be appropriate for a comprehensive evaluation for such models implemented. Further, the Department of Education is directed to submit the annual progress reports from the participating school divisions and an executive summary of the program's overall status and levels of measured success to the Chairmen of House Appropriations and Senate Finance Committees no later than November 1 each year.

7. Any funds remaining in this paragraph following grant awards may be disbursed by the Department of Education as grants to school divisions to support innovative approaches to instructional delivery or school governance models.

O. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is provided through grants or contracts for the cost of fees and financial incentives associated with hiring teachers in challenged schools. These funds may be used for grants or contracts awarded and expenses associated with supporting the Teach for America program. School divisions or their partners may apply for those funds through applications submitted to the Department of Education. Applications must be submitted to the Department of Education by September 1 each year. Within the fiscal year, any unobligated balance may be used for the Teacher Residency program.

P. Out of this appropriation, $725,000 the first year and $725,000 the second year from the general fund is provided for the Accomack, Albemarle, Arlington, Chesterfield, Fairfax, Henrico, Loudoun, Norfolk, Petersburg, Richmond City, Suffolk, and Wythe Public Schools to support expansion of a STEM model program for kindergarten and preschool students. Each developed model will focus on enhancing children's learning experiences through the arts.

Q. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is provided for the Achievable Dream partnership with Newport News School Division.

R. Out of this appropriation, $2,000,000 the first year and $1,750,000 the second year from the general fund is provided for grants for teacher residency partnerships between university teacher preparation programs and the Petersburg, Norfolk, and Richmond City school divisions and any other university teacher preparation programs and hard-to-staff school divisions to help improve new teacher training and retention for hard-to-staff schools. The grants will support a site-specific residency model program for preparation, planning, development and implementation, including possible stipends in the program to attract qualified candidates and mentors. Applications must be submitted to the Department of Education by August 1 each year.

Partner school divisions shall provide at least one-third of the cost of each program and shall provide data requested by the university partner in order to evaluate program effectiveness by the mutually agreed upon timelines. Each university partner shall report annually, no later than June 30, to the Department of Education on available outcome measures, including student performance indicators, as well as additional data needs requested by the Department of Education. The Department of Education shall provide, directly to the university partners, relevant longitudinal data that may be shared. The Department of Education shall consolidate all submissions from the participating unversity partners and school divisions and submit such consolidated annual report to the Chairmen of the House Appropriations and Senate Finance Committees no later than November 1 each year.

S. Out of this appropriation, $60,300 the first year and $60,300 the second year from the general fund is provided to the Northern Neck Regional Technical Center to expand the workforce readiness education and industry based skills and certification development efforts supporting that region in the state. These funds support the Center's programs that serve high school students from the surrounding counties of Essex, Lancaster, Northumberland, Rappahannock, Westmoreland and Colonial Beach.

T. Out of this appropriation, $2,750,000 the first year and $2,750,000 the second year from the general fund is provided to the Virginia Early Childhood Foundation.

1. Of this amount, $250,000 the first year and $250,000 the second year is provided for general operations of the Foundation's grant program to strengthen the capacity of local communities to promote school readiness for young children through innovative regional partnerships.

2. Of this amount, $1,000,000 the first year and $1,000,000 the second year is provided to operate a scholarship program to increase the skills of Virginia's early education workforce.

3. Of this amount, $1,500,000 the first year and $1,500,000 the second year is provided to pilot an initiative to promote public-private delivery of pre-kindergarten services to high-risk children and communities. In determining these grant awards, the Virginia Early Childhood Foundation shall offer an award to a private-provider that has submitted application applicable to a partnership with Richmond City for a mixed delivery pre-kindergarten program, provided that the application is of high quality and is competitive with other submitted applications received for such an award.

4. Notwithstanding any provisions of § 22.1-199.6 or § 22.1-299, and in order to achieve the priorities of the Joint Subcommittee on Virginia Preschool Initiative for exploring the feasibility of and barriers to mixed delivery preschool systems in Virginia, recipients of a Mixed-Delivery Preschool grant shall be provided maximum flexibility within their respective pilot initiative in order to fully implement the associated goals and objectives of the pilot. Recipients of a Mixed-Delivery Preschool grant and divisions participating in such grant pilot activities shall be exempted from all regulatory and statutory provisions related to teacher licensure requirements and qualifications when paid by public funds within the confines of the Mixed-Delivery Preschool pilot initiative.

In the case of new pilot grants awarded beginning in the second year, in addition to the provisions of § 22.1-199.6 E., grants shall be awarded to recipients that offer high quality preschool experience to participating enrolled at-risk four-year-old children.

U. This appropriation includes $500,000 the first year and $500,000 the second year from the general fund to support ten competitive grants, not to exceed $50,000 each, for planning the implementation of systemic High School Program Innovation by either individual school divisions or consortia of school divisions or implementing a plan for High School Program Innovation previously approved by the Department of Education. The local applicant(s) selected to conduct this systemic approach to high school reform, in consultation with the Department of Education, will develop and plan or implement innovative approaches to engage and to motivate students through personalized learning and instruction leading to demonstrated mastery of content, as well as skills development of career readiness. Essential elements of high school innovation include: (1) student centered learning, with progress based on student demonstrated proficiency; (2) 'real-world' connections that promote alignment with community work-force needs and emphasize transition to college and/or career; and (3) varying models for educator supports and staffing. Individual school divisions or consortia will be invited to apply on a competitive basis by submitting a grant application that includes descriptions of key elements of innovations, a detailed budget, expectations for outcomes and student achievement benefits, evaluation methods, and plans for sustainability. The Department of Education will make the final determination of which individual school divisions or consortia of divisions will receive the year-long planning grant for High School Innovation or a grant to implement a High School Program Innovation plan previously approved by the Department of Education. Any school division or consortium of divisions which desires to apply for this competitive grant must submit a proposal to the Department of Education by June 1 preceding the school year in which the planning or implementation for systemic high school innovation is to take place.

V. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund is provided to support the Newport News Aviation Academy's four-year high school STEM program, which focuses on piloting, aircraft maintenance, engineering, computers, and electronics.

W. Out of this appropriation, $15,000 the first year and $15,000 the second year is provided for grants to school divisions of up to $5,000 each to explore alternative teacher compensation approaches that move away from tenure-based step increases toward compensation systems based on teacher performance and student progress. Priority will be given to school divisions that have not previously explored alternative compensation approaches and have schools not achieving full accreditation, or that have high numbers of at-risk students needing qualified teachers in hard-to-staff subjects.

X. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund is provided for STEM Competition Team Grants. Notwithstanding § 22.1-362, Code of Virginia, Paragraph B, grants may not exceed $5,000 each.

Y. Out of this appropriation, $681,975 the first year and $681,975 the second year from the general fund is provided to support a multi-platform STEM education engagement program and research study, via the Virginia Air & Space Center.

Z. Out of this appropriation, $350,000 the first year and $350,000 the second year from the general fund is provided for executive leadership incentives in the Petersburg City Public Schools to strengthen the impact of division and school level executive leadership on student achievement in the school division. Such incentives may include, but not be limited to, supplements to locally funded salaries,

deferred salary compensation, bonuses, housing and commuting supplements, and professional development supplements. The Department of Education shall provide such executive management incentive payments directly to the Petersburg City Public Schools accounts pursuant to a Memorandum of Understanding entered into between the Board of Education and the Petersburg City School Board. Such Agreement shall be approved by both parties by July 1, 2016, shall cover no less than both years of the biennium, and may be amended with the consent of both parties. Such Agreement shall include operational and student achievement metrics and include provisions for the achievement of such metrics as a condition of payment of the incentive funds by the Department of Education. The Department of Education shall provide updates on implementation of the Agreement to the Chairmen of the Senate Finance and House Appropriations Committees.

AA. Out of this amount, $600,000 the first year and $600,000 the second year from the general fund shall be reserved for school divisions to partner with the Virginia Reading Corps program. The implementation partner shall determine and select partner school divisions. The Virginia Reading Corps shall report annually to the school divisions and Department of Education on the outcomes of this program.

BB. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is provided for Chesterfield County Public Schools to partner and plan with Virginia State University for the continued development of a College Partnership Laboratory School in support of Ettrick Elementary School.

CC. Out of this appropriation, $175,000 the first year and $175,000 the second year from the general fund is provided to establish a Career and Technical Education Vocational Laboratory pilot that will be located within the Virginia Aviation Academy located in the Newport News school division. This vocational-based lab will be developed and focused on advanced, augmented and virtual reality related education.

DD. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is provided for praxis assistance and Virginia Communication and Literacy Assessment assistance for provisionally licensed minority teachers seeking full licensure in Virginia. Grants of up to $10,000 shall be awarded to school divisions, teacher preparation programs, or nonprofit organizations in all regions of the state to subsidize test fees and the cost of tutoring for provisionally licensed minority teachers seeking full licensure in Virginia.

EE. Out of this appropriation, $391,000 the first year and $391,000 the second year from the general fund is provided to school divisions to pay for a portion of the vision screening of students in kindergarten, grade two or three and grades seven and ten, pursuant to Chapter 312, 2017 Session Acts of Assembly. Eligible school divisions may receive the state's share of $7.00 for each student reported in average daily membership and enrolled in kindergarten, grades three, seven and ten and who has received such vision screening test. The Department of Education shall administrator and distribute reimbursements to school divisions and the funding shall be prorated if needed, such that the appropriation is not exceeded. Prioritization shall be given the schools that would most benefit from state assistance in order to provide such vision screening service to students that are eligible for free lunch.

FF. Out of this appropriation, $660,000 the first year and $660,000 the second year from the general fund is provided for annual grants of $60,000 to each of the nine regional career and technical centers, Winchester Public Schools' Innovation Center and Norfolk Public Schools' Norfolk Technical Center, to expand workforce readiness education and industry based skills.

GG. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is provided to Winchester Public Schools to match private support provided for the renovation of the Emil and Grace Shihadeh Innovation Center.

HH. Out of this appropriation, $200,000 the second year from the general fund is provided to encourage the use of robots to aid in the education of students on the autism spectrum. Any school division that desires to apply for this competitive grant must submit a proposal to the Department of Education outlining the intended use of funds and a projected number of students who will be served. The Department of Education shall establish criteria by which to award these funds to school divisions. Local school divisions may use the funds to purchase robotic devices with proven effectiveness for aiding in the academic and social-emotional learning of students on the autism spectrum.

II. In the case of and in recognition of the current deliberations and on-going joint efforts of the Alleghany County School Board, Alleghany County Board of Supervisors, Covington City School Board and the Covington City Council toward investigating and determining benefits of operating a joint school division, that each respective entity has approved two members to serve on the established Committee to facilitate such activities. Out of this appropriation, $400,000 the second year from the general fund is included in this item's appropriation and is provided to Alleghany County Public School Division for the express purpose of using such funds as incentive funding to support costs incurred by such joint efforts of Alleghany County School Board, Alleghany County Board of Supervisors, Covington City School Board and the City of Covington City Council toward investigating and determining benefits of operating a joint school division. In the event that such Committee does not come up with a plan for Alleghany County Public Schools and Covington City Schools, the remainder of the incentive money will be allocated and used to support Alleghany County and Covington City public school divisions' jointly operated career and technical center, Jackson River Technical Center.

JJ. Out of this appropriation, $500,763 the second year from the general fund is provided to Hampton City school division for its Academies of Hampton which focuses on preparing students to be career ready or better equipped to enter into post-secondary education.

KK. 1. Out of this appropriation, $550,000 the first year and $550,000 the second year from the general fund is provided to CodeVA for the development, marketing, and implementation of high-quality and effective computer science training and professional development activities for public school teachers throughout the Commonwealth for the purpose of improving the computer science literacy of all public school students in the Commonwealth using the Computer Science Standards of Learning For Virginia Public Schools, which were reviewed and endorsed by the Virginia Board of Education in November 2017. The provided funds may be utilized for planning, preparing and materials needed for teacher training sessions provided during the biennium.

2. CodeVA shall report, no later than October 1, each year to the Chairmen of the House Education and Senate Education & Health Committees, Secretary of Education and the Superintendent of Public Instruction on its activities in the previous year to support computer science teacher training and curriculum development, including on collaboration with other stakeholders to avoid duplication of efforts.

LL. Out of this appropriation, $1,000,000 the second year from the general fund is provided to the American Civil War Museum to support the advancement of experiential learning opportunities for K-12 students. These funds are intended to support high-quality, off-site learning experiences for students to engage in educational content, aligned to Virginia's Standards of Learning, related to the history of the American Civil War.

MM. Out of this appropriation, $1,200,000 the second year from the general fund is provided to the Black History Museum and Cultural Center of Virginia to support the advancement of experiential learning opportunities for K-12 students. These funds are intended to support high-quality, off-site learning experiences and traveling exhibitions for students to engage in educational content, aligned to Virginia's Standards of Learning, related to African American History.

	Details($)			
	First Year FY2019	Second Year FY2020	First Year FY2019	Second FY202
136. State Education Assistance Programs (17800).....			$6,973,289,154	~~$7,251~~ $7,274
Standards of Quality for Public Education (SOQ) (17801).....	$6,152,892,137	~~$6,196,871,983~~ $6,229,954,926		
Financial Incentive Programs for Public Education (17802).....	$129,662,004	~~$367,471,676~~ $372,789,157		
Financial Assistance for Categorical Programs (17803).....	$58,336,366	~~$58,583,763~~ $58,280,940		
Distribution of Lottery Funds (17805).....	$632,398,647	~~$628,830,501~~ $613,449,864		
Fund Sources: General.....	$6,226,545,937	~~$6,483,582,852~~ $6,521,680,453		
Special.....	$895,000	$895,000		
Commonwealth Transportation.....	$2,100,000	$2,100,000		
Trust and Agency.....	$743,748,217	~~$765,180,071~~ $749,799,434		

Authority: Standards of Quality for Public Education (SOQ) (17801): Article VIII, Section 2, Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; §§ 22.1-176 through 22.1-198, 22.1-199.1, 22.1-199.2, 22.1-213 through 22.1-221, 22.1-227 through 22.1-237, 22.1-253.13:1 through 22.1-253.13:8, 22.1-254.01, Code of Virginia; Title 51.1, Chapters 1, 5, 6.2, 7, and 14, Code of Virginia; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 98-524, as amended, Federal Code.

Financial Incentive Programs for Public Education (17802): §§ 22.1-24, 22.1-289.1 through 22.1-318, Code of Virginia; P.L. 79-396, as amended; P.L. 89-10, as amended; P.L. 89-642, as amended; P.L. 108-265, as amended; Title II P.L. 99-159, as amended, Federal Code.

Financial Assistance for Categorical Programs (17803): Discretionary Inclusion; Treaty of 1677 between Virginia and the Indians; §§ 22.1-3.4, 22.1-108, 22.1-199 through 22.1-212.2:2, 22.1-213 through 22.1-221, 22.1-223 through 22.1-237, 22.1-254, Code of Virginia; P.L. 89-10, as amended; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 94-588; P.L. 95-561, as amended; P.L. 98-211, as amended; P.L. 98-524, as amended; P.L. 99-570; P.L. 100-297, as amended; P.L. 102-73, as amended; P.L. 105-220, as amended, Federal Code.

Distribution of Lottery Funds (17805): §§ 58.1-4022 and 58.1-4022.1, Code of Virginia

Appropriation Detail of Education Assistance Programs (17800)

Standards of Quality (17801)	**FY 2019**	**FY 2020**
Basic Aid	$3,320,204,988	~~$3,295,069,550~~ $3,294,521,798
Sales Tax	$1,421,600,000	~~$1,486,302,403~~ $1,514,900,000
Textbooks	$70,008,927	~~$70,023,715~~ $70,297,768
Vocational Education	$58,212,575	~~$57,930,204~~ $58,140,646
Gifted Education	$35,280,085	~~$35,314,827~~ $35,448,902
Special Education	$395,781,461	~~$396,092,863~~ $397,401,799
Prevention, Intervention, and Remediation	$112,645,717	~~$112,320,130~~ $112,916,008
English as a Second Language	$59,957,366	~~$62,519,408~~ $65,356,159
VRS Retirement (includes RHCC)	$441,069,956	~~$442,260,022~~ $443,927,229
Social Security	$199,902,693	~~$200,465,243~~ $201,220,925
Group Life	$13,570,212	~~$13,596,751~~ $13,647,928
Remedial Summer School	$24,658,157	~~$24,976,867~~ $22,175,764
Total	**$6,152,892,137**	**~~$6,196,871,983~~ $6,229,954,926**
Incentive Programs (17802)		
Compensation Supplement	$0	~~$201,975,291~~ $200,676,881
Governor's Schools	$17,572,420	~~$18,560,517~~ $18,482,116
At-Risk Add-On (split funded)	$10,468,261	~~$34,468,400~~ $52,248,780
Clinical Faculty	$318,750	$318,750
Career Switcher Mentoring Grants	$279,983	$279,983
Special Education - Endorsement Program	$437,186	$437,186
Special Education - Vocational Education	$200,089	$200,089
Virginia Workplace Readiness Skills Assessment	$308,655	$308,655
Math/Reading Instructional Specialists Initiative	$1,834,538	$1,834,538
Early Reading Specialists Initiative	$1,476,790	$1,476,790
Breakfast After the Bell Incentive	$1,074,000	$1,074,000
Special Education - Regional Tuition	$89,503,626	~~$100,397,909~~ $92,993,005
Small School Division Enrollment Loss	$6,112,706	$0
Virginia Preschool Initiative - Develop Assessment Plan	$75,000	$0
Virginia Preschool Initiative Plus	$0	~~$6,139,559~~ $2,458,384
Total	**$129,662,004**	**~~$367,471,676~~ $372,789,157**
Categorical Programs (17803)		
Adult Education	$1,051,800	$1,051,800

Adult Literacy	$2,480,000	$2,480,000
Virtual Virginia	$5,025,808	$5,175,808
American Indian Treaty Commitment	$37,219	$38,954
School Lunch Program	$5,801,932	$5,801,932
Special Education - Homebound	$4,844,198	~~$4,867,702~~ $4,888,196
Special Education - Jails	$3,507,385	~~$3,507,385~~ $3,380,544
Special Education - State Operated Programs	$35,588,024	~~$35,660,182~~ $35,463,706
Total	**$58,336,366**	**~~$58,583,763~~ $58,280,940**
Lottery Funded Programs (17805)		
At-Risk Add-On (split funded)	$100,114,539	~~$86,482,069~~ $69,406,736
Foster Care	$9,615,192	~~$10,387,961~~ $10,152,360
Virginia Preschool Initiative - Per Pupil Amount	$70,049,572	~~$72,351,058~~ $73,290,301
Virginia Preschool Initiative - Provisional Teacher Licensure	$304,088	$306,100
Early Reading Intervention	$23,578,891	~~$23,571,284~~ $27,670,562
Mentor Teacher	$1,000,000	$1,000,000
K-3 Primary Class Size Reduction	$125,175,585	~~$128,005,970~~ $125,226,194
School Breakfast Program	$6,287,789	~~$7,439,888~~ $6,519,175
SOL Algebra Readiness	$13,099,389	~~$13,061,697~~ $13,633,162
Supplemental Lottery Per Pupil Allocation	$253,190,472	~~$255,531,948~~ $255,533,690
Regional Alternative Education	$8,767,652	~~$9,434,794~~ $9,403,886
Individualized Student Alternative Education Program (ISAEP)	$2,247,581	$2,247,581
Career and Technical Education -Categorical	$12,400,829	$12,400,829
Project Graduation	$1,387,240	$1,387,240
Race to GED (NCLB/EFAL)	$2,410,988	$2,410,988
Path to Industry Certification (NCLB/EFAL)	$1,831,464	$1,831,464
Supplemental Basic Aid	$937,376	~~$979,630~~ $1,029,596
Total	**$632,398,647**	**~~$628,830,501~~ $613,449,864**
Technology - VPSA	$57,017,700	~~$58,612,800~~ $56,264,400
Security Equipment - VPSA	$6,000,000	$12,000,000

Payments out of the above amounts shall be subject to the following conditions:

A. Definitions

1. "March 31 Average Daily Membership," or "March 31 ADM" - The responsible school division's average daily membership for grades K-12 including (1) handicapped students ages 5-21 and (2) students for whom English is a second language who entered school for the first time after reaching their twelfth birthday, and who have not reached twenty-two years of age on or before August 1 of the school year, for the first seven (7) months (or equivalent period) of the school year through March 31 in which state funds are distributed from this appropriation. Preschool and postgraduate students shall not be included in March 31 ADM.

a. School divisions shall take a count of September 30 fall membership and report this information to the Department of Education no later than October 15 of each year.

b. Except as otherwise provided herein, by statute, or by precedent, all appropriations to the Department of Education shall be calculated using March 31 ADM unadjusted for half-day kindergarten programs, estimated at 1,245,570.50 the first year and ~~1,248,165.55~~ 1,251,668.01 the second year. March 31 ADM for half-day kindergarten shall be adjusted at 85 percent.

c. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home instruction pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a full-time basis in any mathematics, science, English, history, social science, vocational education, health education or physical education, fine arts or foreign language course, or receiving special education services required by a student's individualized education plan, shall be counted in the funded fall membership and March 31 ADM of the responsible school division. Each course shall be counted as 0.25, up to a cap of 0.5 of a student.

d. Students enrolled in an Individualized Student Alternative Education Program (ISAEP) pursuant to § 22.1-254 E shall be counted in the March 31 Average Daily Membership of the responsible school division. School divisions shall report these students separately in their March 31 reports of Average Daily Membership.

2. "Standards of Quality" - Operations standards for grades kindergarten through 12 as prescribed by the Board of Education subject to revision by the General Assembly.

3.a. "Basic Operation Cost" - The cost per pupil, including provision for the number of instructional personnel required by the Standards of Quality for each school division with a minimum ratio of 51 professional personnel for each 1,000 pupils or proportionate number thereof, in March 31 ADM for the same fiscal year for which the costs are computed, and including provision for driver, gifted, occupational-vocational, and special education, library materials and other teaching materials, teacher sick leave, general administration, division superintendents' salaries, free textbooks (including those for free and reduced price lunch pupils), school nurses, operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, remedial work, fixed charges and other costs in programs not funded by other state and/or federal aid.

b. The state and local shares of funding resulting from the support cost calculation for school nurses shall be specifically identified as such and reported to school divisions annually. School divisions may spend these funds for licensed school nurse positions employed by the school division or for licensed nurses contracted by the local school division to provide school health services.

4.a. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The composite index is the sum of 2/3 of the index of wealth per pupil in unadjusted March 31 ADM reported for the first seven (7) months of the 2015-2016 school year and 1/3 of the index of wealth per capita (population estimates for 2015 as determined by the Weldon Cooper Center for Public Service of the University of Virginia) multiplied by the local nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 2015 - 50 percent; (2) adjusted gross income for the calendar year 2015 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar

year 2015 which are subject to the state general sales and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index element for a locality is its sum per March 31 ADM, or per capita, expressed as a percentage of the state average per March 31 ADM, or per capita, for the same element. A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing all payments based on the composite index of local ability-to-pay. Each constituent index element for a locality used to determine the composite index of local ability-to-pay for the current biennium shall be the latest available data for the specified official base year provided to the Department of Education by the responsible source agencies no later than November 15, 2017.

b. For any locality whose total calendar year 2015 Virginia Adjusted Gross Income is comprised of at least 3 percent or more by nonresidents of Virginia, such nonresident income shall be excluded in computing the composite index of ability-to-pay. The Department of Education shall compute the composite index for such localities by using adjusted gross income data which exclude nonresident income, but shall not adjust the composite index of any other localities. The Department of Taxation shall furnish to the Department of Education such data as are necessary to implement this provision.

c.1) Notwithstanding the funding provisions in § 22.1-25 D, Code of Virginia, additional state funding for future consolidations shall be as set forth in future Appropriation Acts.

2) In the case of the consolidation of Clifton Forge and Alleghany County school divisions, the fifteen year period for the application of a new composite index shall apply beginning with the fiscal year that starts on July 1, 2004. The composite index established by the Board of Education shall equal the lowest composite index that was in effect prior to July 1, 2004, of any individual localities involved in such consolidation, and this index shall remain in effect for a period of fifteen years, unless a lower composite index is calculated for the combined division through the process for computing an index as set forth above.

3) If the composite index of a consolidated school division is reduced during the course of the fifteen year period to a level that would entitle the school division to a lower interest rate for a Literary Fund loan than it received when the loan was originally released, the Board of Education shall reduce the interest rate of such loan for the remainder of the period of the loan. Such reduction shall be based on the interest rate that would apply at the time of such adjustment. This rate shall remain in effect for the duration of the loan and shall apply only to those years remaining to be paid.

4) In the case of the consolidation of Bedford County and Bedford City school divisions, the fifteen year period for the application of a new composite shall apply beginning with the fiscal year that starts on July 1, 2013. The composite index established by the Board of Education shall equal the lowest composite index that was in effect prior to July 1, 2013, of any individual localities involved in such consolidation, and this index shall remain in effect for a period of fifteen years, unless a lower composite index is calculated for the combined division through the process for computing an index as set forth above.

d. When it is determined that a substantial error exists in a constituent index element, the Department of Education will make adjustments in funding for the current school year only in the division where the error occurred. The composite index of any other locality shall not be changed as a result of the adjustment. No adjustment during the biennium will be made as a result of updating of data used in a constituent index element.

e. In the event that any school division consolidates two or more small schools, the division shall continue to receive Standards of Quality funding and provide for the required local expenditure for a period of five years as if the schools had not been consolidated. Small schools are defined as any elementary, middle, or high school with enrollment below 200, 300 and 400 students, respectively.

5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on the composite index of local ability-to-pay of the cost required by all the Standards of Quality minus its estimated 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, as specified in this Item, collected by the Department of Education and distributed to school divisions in the fiscal year in which the school year begins.

6. "Required Local Match" - The locality's required share of program cost based on the composite index of local ability-to-pay for all Lottery and Incentive programs, where required, in which the school division has elected to participate in a fiscal year.

7. "Planning District Eight" - The nine localities which comprise Planning District Eight are Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.

8. "State Share of the Standards of Quality" - The state share of the Standards of Quality (SOQ) shall be equal to the total funded SOQ cost for a school division less the school division's estimated revenues from the state sales and use tax dedicated to public education based on the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, adjusted for the state's share of the composite index of local ability to pay.

9. Entitlements under this Item that use school-level or division-level Free Lunch eligibility percentages to determine the entitlement amounts are based on the most recent data available as of the biennial rebenchmarking calculations made for the current biennium. For schools that participate in the Community Eligibility Provision program, such entitlements are based on the most recent Free Lunch eligibility data available prior to that school's enrollment in the Community Eligibility Provision program.

10. In the event that the general fund appropriations in this Item are not sufficient to meet the entitlements payable to school divisions pursuant to the provisions of this Item, the Department of Education is authorized to transfer any available general fund funds between these Items to address such insufficiencies. If the total general fund appropriations after such transfers remain insufficient to meet the entitlements of any program funded with general fund dollars, the Department of Education is authorized to prorate such shortfall proportionately across all of the school divisions participating in any program where such shortfall occurred. In addition, the Department of Education is authorized each year to temporarily suspend textbook payments made to school divisions from Lottery funds to ensure that any shortfall in Lottery revenue can be accounted for in the remaining textbook payments to be made for the year.

11. The Department of Education is directed to apply a cap on inflation rates in the same manner prescribed in § 51.1-166.B, Code of Virginia, when updating funding to school divisions during the biennial rebenchmarking process.

12. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to combine the end-of-year Average Daily Membership (ADM) for those school divisions who have partnered together as a fiscal agent division and a contractual division for the purposes of calculating prevailing costs included in the Standards of Quality (SOQ).

13. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to include zeroes in the linear weighted average calculation of support non-personal costs for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ).

14. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to eliminate the corresponding and appropriate object code(s) related to reported travel expenditures included the linear weighted average non-personal cost calculations for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ).

15. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to eliminate the corresponding and appropriate object code(s) related to reported leases and rental and facility expenditures included the linear weighted average non-personal cost calculations for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ).

16. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to fund transportation costs using a 15 year replacement schedule, which is the national standard guideline, for school bus replacement schedule for the purpose of calculating funded transportation costs included in the Standards of Quality (SOQ).

17. To provide temporary flexibility, notwithstanding any other provision in statute or in this Item, school divisions may elect to increase the teacher to pupil staffing ratios in kindergarten through grade 7 and English classes for grades 6 through twelve by one additional student; the teacher to pupil staffing ratio requirements for Elementary Resource teachers, Prevention, Intervention and Remediation, English as a Second Language, Gifted and Talented, Career and Technical funded programs (other than on Career and Technical courses where school divisions will have to maintain a maximum class size based on federal Occupational Safety & Health Administration safety requirements) are waived; and the instructional and support technology positions, librarians and guidance counselors staffing ratios for new hires are waived.

18. To provide additional flexibility, notwithstanding the provisions of § 22.1-79.1, Code of Virginia, any school division that was granted a waiver regarding the opening date of the school year for the 2011-2012 school year under the good cause requirements shall continue to be granted a waiver for the 2018-2019 school year and the 2019-2020 school year.

B. General Conditions

1. The Standards of Quality cost in this Item related to fringe benefits shall be limited for instructional staff members to the employer's cost for a number not exceeding the number of instructional positions required by the Standards of Quality for each school division and for their salaries at the statewide prevailing salary levels as printed below.

Instructional Position	**First Year Salary**	**Second Year Salary**
Elementary Teachers	$48,298	$48,298
Elementary Assistant Principals	$68,545	$68,545
Elementary Principals	$85,115	$85,115
Secondary Teachers	$51,167	$51,167
Secondary Assistant Principals	$74,535	$74,535
Secondary Principals	$93,695	$93,695
Instructional Aides	$17,738	$17,738

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.

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.

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.

b. Payments to school divisions from this Item shall be calculated using March 31 Average Daily Membership adjusted for half-day kindergarten programs.

c. Payments for health insurance fringe benefits are included in and distributed through Basic Aid.

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.

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.

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.

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.

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.

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).

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.

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 appropriations from the general fund in this Item funds the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support technology position per 1,000 students; one instructional technology position per 1,000 students; and a full daily planning period for

teachers at the middle and high school levels in order to relieve the financial pressure these education programs place on local real estate taxes.

d. To provide flexibility, school divisions may use the state and local funds for instructional technology resource teachers required by the Standards of Quality to employ a data coordinator position, an instructional technology resource teacher position, or a data coordinator/instructional resource teacher blended position. The data coordinator position is intended to serve as a resource to principals and classroom teachers in the area of data analysis and interpretation for instructional and school improvement purposes, as well as for overall data management and administration of state assessments. School divisions using these SOQ funds in this manner shall only employ instructional personnel licensed by the Board of Education.

e. To provide flexibility in the provision of reading intervention services, school divisions may use the state Early Reading Intervention initiative funding provided from the Lottery Proceeds Fund and the required local matching funds to employ reading specialists to provide the required reading intervention services. School divisions using the Early Reading Intervention Initiative funds in this manner shall only employ instructional personnel licensed by the Board of Education.

f. To provide flexibility in the provision of mathematics intervention services, school divisions may use the state Standards of Learning Algebra Readiness initiative funding provided from the Lottery Proceeds Fund and the required local matching funds to employ mathematics teacher specialists to provide the required mathematics intervention services. School divisions using the Standards of Learning Algebra Readiness initiative funding in this manner shall only employ instructional personnel licensed by the Board of Education.

g. Notwithstanding the provisions of subsection H of § 22.1-253.13:2 of the Code of Virginia, as amended by the 2019 Session of the General Assembly, to the contrary, each school board shall employ the following full-time equivalent school counselor positions for any school that reports fall membership, according to the type of school and student enrollment: effective with the 2019-2020 school year, in elementary schools, one hour per day per 91 students, one full-time at 455 students, one hour per day additional time per 91 students or major fraction thereof: school counselors in middle schools, one period per 74 students, one full-time at 370 students, one additional period per 74 students or major fraction thereof: school counselors in high schools, one period per 65 students, one full-time at 325 students, one additional period per 65 students or major fraction thereof.

8.a.1) Pursuant to § 22.1-97, Code of Virginia, the Department of Education is required to make calculations at the start of the school year to ensure that school divisions have appropriated adequate funds to support their estimated required local expenditure for the corresponding state fiscal year. In an effort to reduce the administrative burden on school divisions resulting from state data collections, such as the one needed to make the aforementioned calculations, the requirements of § 22.1-97, Code of Virginia, pertaining to the adequacy of estimated required local expenditures, shall be satisfied by signed certification by each division superintendent at the beginning of each school year that sufficient local funds have been budgeted to meet all state required local effort and required local match amounts. This provision shall only apply to calculations required of the Department of Education related to estimated required local expenditures and shall not pertain to the calculations associated with actual required local expenditures after the close of the school year.

2) The Department of Education shall also make calculations after the close of the school year to verify that the required local effort level, based on actual March 31 Average Daily Membership, was met. Pursuant to § 22.1-97, Code of Virginia, the Department of Education shall report annually, no later than the first day of the General Assembly session, to the House Committees on Education and Appropriations and the Senate Committees on Finance 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:

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.

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.

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.

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

f. The final amount calculated as described above must be equal to or greater than the required local expenditure defined in paragraph A. 5.

g. The Department of Education shall collect the data necessary to perform the calculations of required local expenditure as required by this section.

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.

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.

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:

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;

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;

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;

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

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 the second year following that in which the under expenditure occurs.

c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum sufficient, not to exceed 75 percent of the funds deposited in the general fund pursuant to the preceding paragraph a.

d. Notwithstanding the provisions set forth in this Act or in § 22.1-97, Code of Virginia, required local effort obligations are waived for fiscal year 2020.

10. The Department of Education shall specify the manner for collecting the required information and the method for determining if a school division has expended the local funds required to support the actual local match based on all Lottery and Incentive programs in which the school division has elected to participate. Unless specifically stated otherwise in this Item, school divisions electing to participate in any Lottery or Incentive program that requires a local funding match in order to receive state funding, shall certify to the Department of Education its intent to participate in each program by July 1 each fiscal year in a manner prescribed by the Department of Education. As part of this certification process, each division superintendent must also certify that adequate local funds have been appropriated, above the required local effort for the Standards of Quality, to support the projected required local match based on the Lottery and Incentive programs in which the school division has elected to participate. State funding for such program(s) shall not be made until such time that the school division can certify that sufficient local funding has been appropriated to meet required local match. The Department of Education shall make calculations after the close of the fiscal year to verify that the required local match was met based on the state funds that were received.

11.a. Any sum of local matching funds for Lottery and Incentive program which a locality has not expended as of the end of a fiscal year in support of the required local match pursuant to this Item shall be paid by the locality into the general fund of the state treasury unless the carryover of those unspent funds is specifically permitted by other provisions of this act. Such payments shall be made no later than the end of the school year following that in which the under expenditure occurred.

b. Notwithstanding the provisions set forth in this Act or in § 22.1-97, Code of Virginia, required local match obligations are waived for fiscal year 2020.

12. The Superintendent of Public Instruction shall provide a report annually, no later than the first day of the General Assembly session, on the status of teacher salaries, by local school division, to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees. In addition to information on average salaries by school division and statewide comparisons with other states, the report shall also include information on starting salaries by school division and average teacher salaries by school.

13. All state and local matching funds required by the programs in this Item shall be appropriated to the budget of the local school board.

14. By November 15 of each year, the Department of Planning and Budget, in cooperation with the Department of Education, shall prepare and submit a preliminary forecast of Standards of Quality expenditures, based upon the most current data available, to the Chairmen of the House Appropriations and Senate Finance Committees. In odd-numbered years, the forecast for the current and subsequent two fiscal years shall be provided. In even-numbered years, the forecast for the current and subsequent fiscal year shall be provided. The forecast shall detail the projected March 31 Average Daily Membership and the resulting impact on the education budget.

15. School divisions may choose to use state payments provided for Standards of Quality Prevention, Intervention, and Remediation in both years as a block grant for remediation purposes, without restrictions or reporting requirements, other than reporting necessary as a basis for determining funding for the program.

16. Except as otherwise provided in this act, the Superintendent of Public Instruction shall provide guidelines for the distribution and expenditure of general fund appropriations and such additional federal, private and other funds as may be made available to aid in the establishment and maintenance of the public schools.

17. At the Department of Education's option, fees for audio-visual services may be deducted from state Basic Aid payments for individual local school divisions.

18. For distributions not otherwise specified, the Department of Education, at its option, may use prior year data to calculate actual disbursements to individual localities.

19. Payments for accounts related to the Standards of Quality made to localities for public education from the general fund, as provided herein, shall be payable in twenty-four semimonthly installments at the middle and end of each month.

20. Notwithstanding § 58.1-638 D., Code of Virginia, and other language in this Item, the Department of Education shall, for purposes of calculating the state and local shares of the Standards of Quality, apportion 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 in the first year based on the July 1, 2016, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2017, estimate of school age population provided by the Weldon Cooper Center for Public Service.

Notwithstanding § 58.1-638 D., Code of Virginia, and other language in this Item, the State Comptroller shall distribute the state sales and use tax revenues 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 in the first year based on the July 1, 2016, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2017, estimate of school age population provided by the Weldon Cooper Center for Public Service.

21. The school divisions within the Tobacco Region, as defined by the Tobacco Indemnification and Community Revitalization Commission, shall jointly explore ways to maximize their collective expenditure reimbursement totals for all eligible E-Rate funding.

22. This Item includes appropriations totaling an estimated $632,398,647 the first year and ~~$628,830,501~~ $613,449,864 the second year from the revenues deposited to the Lottery Proceeds Fund. These amounts are appropriated for distribution to counties, cities, and towns to support public education programs pursuant to Article X, Section 7-A Constitution of Virginia. Any county, city, or town which accepts a distribution from this fund shall provide its portion of the cost of maintaining an educational program meeting the Standards of Quality pursuant to Section 2 of Article VIII of the Constitution without the use of distributions from the fund.

23. For reporting purposes, the Department of Education shall include Lottery Proceeds Funds as state funds.

24.a. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2019 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2019 may carry over into FY 2020 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2020 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2020.

b. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2020 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2020 may carry over into FY 2021 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2021 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2021.

25. Localities are encouraged to allow school boards to carry over any unspent local allocations into the next fiscal year. Localities are also encouraged to provide increased flexibility to school boards by appropriating state and local funds for public education in a lump sum.

26. The Department of Education shall include in the annual School Performance Report Card for school divisions the percentage of each division's annual operating budget allocated to instructional costs. For this report, the Department of Education shall establish a methodology for allocating each school division's expenditures to instructional and non-instructional costs in a manner that is consistent with the funding of the Standards of Quality as approved by the General Assembly.

27. It is the intent of the General Assembly that all school divisions annually provide their employees, upon request, with a user-friendly statement of total compensation, including contract duration if less than 12 months.

28. The Department of Education, in collaboration with the Virginia Community College System, will ensure that the same policies regarding the cost for dual enrollment courses held at a community college, are consistently applied to public school students and home-schooled students alike. These policies will clearly address the school division contributions and any student charges for dual enrollment courses, and will ensure that public school students and home-school students are treated in the same manner.

C. Apportionment

1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each locality shall receive sums as listed above within this program for the basic operation cost and payments in addition to that cost. The apportionment herein directed shall be inclusive of, and without further payment by reason of, state funds for library and other teaching materials.

2. School Employee Retirement Contributions

a. This Item provides funds to each local school board for the state share of the employer's retirement cost incurred by it, on behalf of instructional personnel, for subsequent transfer to the retirement allowance account as provided by Title 51.1, Chapter 1, Code of Virginia.

b. Notwithstanding § 51.1-1401, Code of Virginia, the Commonwealth shall provide payments for only the state share of the Standards of Quality fringe benefit cost of the retiree health care credit. This Item includes payments in both years based on the state share of fringe benefit costs of 55 percent of the employer's cost on funded Standards of Quality instructional positions, distributed based on the composite index of the local ability-to-pay.

3. School Employee Social Security Contributions

a. This Item provides funds to each local school board for the state share of the employer's Social Security cost incurred by it, on behalf of the instructional personnel for subsequent transfer to the Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia.

b. Appropriations for contributions in paragraphs 2 and 3 above include payments from funds derived from the principal of the Literary Fund in accordance with Article VIII, Section 8, of the Constitution of Virginia. The amounts set aside from the Literary Fund for these purposes shall not exceed $111,349,570 the first year and $136,349,570 the second year.

4. School Employee Insurance Contributions

This Item provides funds to each local school board for the state share of the employer's Group Life Insurance cost incurred by it on behalf of instructional personnel who participate in group insurance under the provisions of Title 51.1, Chapter 5, Code of Virginia.

5. Basic Aid Payments

a.1) A state share of the Basic Operation Cost, which cost per pupil in March 31 ADM is established individually for each local school division based on the number of instructional personnel required by the Standards of Quality and the statewide prevailing salary levels (adjusted in Planning District Eight for the cost of competing) as well as recognized support costs calculated on a prevailing basis for an estimated March 31 ADM.

2) This appropriation includes funding to recognize the common labor market in the Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area. Standards of Quality salary payments for instructional and support positions in school divisions of the localities set out below have been adjusted for the equivalent portion of the Cost of Competing Adjustment (COCA) rates that are paid to local school divisions in Planning District Eight. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, the SOQ payments for instructional and support positions have been increased by 25 percent each year of the COCA rates paid to school divisions in Planning District Eight.

The support COCA rate is 10.6 percent.

b. The state share for a locality shall be equal to the Basic Operation Cost for that locality less the locality's estimated 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), in the fiscal year in which the school year begins and less the required local expenditure.

c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use tax estimates are as cited in this Item.

d. 1) In accordance with the provisions of § 37.2-713, Code of Virginia, the Department of Education shall deduct the locality's share for the education of handicapped pupils residing in institutions within the Department of Behavioral Health and Developmental Services from the locality's Basic Aid payments.

2) The amounts deducted from Basic Aid for the education of intellectually disabled persons shall be transferred to the Department of Behavioral Health and Developmental Services in support of the cost of educating such persons; the amount deducted from Basic Aid for the education of emotionally disturbed persons shall be used to cover extraordinary expenses incurred in the education of such persons. The Department of Education shall establish guidelines to implement these provisions and shall provide for the periodic transfer

of sums due from each local school division to the Department of Behavioral Health and Developmental Services and for Special Education categorical payments. The amount of the actual transfers will be based on data accumulated during the prior school year.

e. 1) The apportionment to localities of all driver education revenues received during the school year shall be made as an undesignated component of the state share of Basic Aid in accordance with the provisions of this Item. Only school divisions complying with the standardized program established by the Board of Education shall be entitled to participate in the distribution of state funds appropriated for driver education. The Department of Education will deduct a designated amount per pupil from a school division's Basic Aid payment when the school division is not in compliance with § 22.1-205 C, Code of Virginia. Such amount will be computed by dividing the current appropriation for the Driver Education Fund by actual March 31 ADM.

2) Local school boards may charge a per pupil fee for behind-the-wheel driver education provided, however, that the fee charged plus the per pupil basic aid reimbursement for driver education shall not exceed the actual average per pupil cost. Such fees shall not be cause for a pro rata reduction in Basic Aid payments to school divisions.

f. Textbooks

1) The appropriation in this Item includes $70,008,927 the first year and ~~$70,023,715~~ $70,297,768 the second year from the general fund as the state's share of the cost of textbooks based on a per pupil amount of $100.69 the first year and $100.69 the second year. A school division shall appropriate these funds for textbooks or any other public education instructional expenditure by the school division. The state's distributions for textbooks shall be based on adjusted March 31 ADM. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

2) School divisions shall provide free textbooks to all students.

3) School divisions may use a portion of this funding to purchase Standards of Learning instructional materials. School divisions may also use these funds to purchase electronic textbooks or other electronic media resources integral to the curriculum and classroom instruction and the technical equipment required to read and access the electronic textbooks and electronic curriculum materials.

4) Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2019, or June 30, 2020, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose. School divisions are permitted to carry forward any remaining balance of textbook funds until the funds are expensed for a qualifying purpose.

g. The one-cent state sales and use tax earmarked for education and the 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 which are distributed to localities 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 shall be reflected in each locality's annual budget for educational purposes as a separate revenue source for the current fiscal year.

h. The appropriation for the Standards of Quality for Public Education (SOQ) includes amounts estimated at $389,900,000 the first year and ~~$409,300,000~~ $421,600,000 the second year from the amounts transferred 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 which are derived from the 0.375 cent increase in the state sales and use tax levied pursuant to § 58.1-638, Code of Virginia. These additional funds are provided to local school divisions and local governments in order to relieve the financial pressure education programs place on local real estate taxes.

i. From the total amounts in paragraph h. above, an amount estimated at $259,900,000 the first year and ~~$272,900,000~~ $281,100,000 the second year (approximately 1/4 cent of sales and use tax) is appropriated to support a portion of the cost of the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support and one instructional technology position per 1,000 students; a full daily planning period for teachers at the middle and high school levels in order to relieve the pressure on local real estate taxes and shall be taken into account by the governing body of the county, city, or town in setting real estate tax rates.

j. From the total amounts in paragraph h. above, an amount estimated at $130,000,000 the first year and ~~$136,400,000~~ $140,500,000 the second year (approximately 1/8 cent of sales and use tax) is appropriated in this Item to distribute the remainder of the revenues collected and deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund 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.

k. For the purposes of funding certain support positions in Basic Aid, a funding ratio methodology is used based upon the prevailing ratio of actual support positions, consistent with those recognized for SOQ funding, to actual instructional positions, consistent with those recognized for SOQ funding, as established in Chapter 781, 2009 Acts of Assembly. For the purposes of making the required spending adjustments, the appropriation and distribution of Basic Aid shall reflect this methodology. Local school divisions shall have the discretion as to where the adjustment may be made, consistent with the Standards of Quality funded in this Act.

6. Education of the Gifted Payments

a. An additional payment shall be disbursed by the Department of Education to local school divisions to support the state share of one full-time equivalent instructional position per 1,000 students in adjusted March 31 ADM.

b. Local school divisions are required to spend, as part of the required local expenditure for the Standards of Quality the established per pupil cost for gifted education (state and local share) on approved programs for the gifted.

7. Occupational-Vocational Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Vocational Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. An amount estimated at $120,281,318 the first year and $120,355,978 the second year from the general fund included in Basic Aid Payments relates to vocational education programs in support of the Standards of Quality.

8. Special Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Special Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. Out of the amounts for special education payments, general fund support is provided to fund the caseload standards for speech pathologists at 68 students for each year of the biennium.

9. Remedial Education Payments

a. An additional payment estimated at $112,645,717 the first year and ~~$112,320,130~~ $112,916,008 the second year from the general fund shall be disbursed by the Department of Education to support the Board of Education's Standards of Quality Prevention, Intervention, and Remediation program adopted in June 2003.

b. The payment shall be calculated based on one hour of additional instruction per day for identified students, using the three year average percent of students eligible for the federal Free Lunch program as a proxy for students needing such services. Fall membership shall be multiplied by the three year average division-level Free Lunch eligibility percentage to determine the estimated number of students eligible for services. Pupil-teacher ratios shall be applied to the estimated number of eligible students to determine the number of instructional positions needed for each school division. The pupil-teacher ratio applied for each school division shall range from 10:1 for those divisions with the most severe combined three year average failure rates for English and math Standards of Learning test scores to 18:1 for those divisions with the lowest combined three year average failure rates for English and math Standards of Learning test scores.

c. Funding shall be matched by the local government based on the composite index of local ability-to-pay.

d. To provide flexibility in the instruction of English Language Learners who have limited English proficiency and who are at risk of not meeting state accountability standards, school divisions may use state and local funds from the SOQ Prevention, Intervention, and Remediation account to employ additional English Language Learner teachers to provide instruction to identified limited English proficiency students. Using these funds in this manner is intended to supplement the instructional services provided through the SOQ staffing standard of 17 instructional positions per 1,000 limited English proficiency students. School divisions using the SOQ Prevention, Intervention, and Remediation funds in this manner shall only employ instructional personnel licensed by the Board of Education.

e. An additional state payment estimated at $10,468,261 the first year and ~~$34,468,409~~ $52,248,780 the second year from the general fund and $100,114,539 the first year and ~~$86,482,069~~ $69,406,736 the second year from the Lottery Proceeds Fund shall be disbursed based on the estimated number of federal Free Lunch participants, in support of programs for students who are educationally at risk. The additional payment shall be based on the state share of:

1) A minimum 1.0 percent Add-On, as a percent of the per pupil basic aid cost, for each child who qualifies for the federal Free Lunch Program; and

2) An addition to the Add-On, based on the concentration of children qualifying for the federal Free Lunch Program. Based on its percentage of Free Lunch participants, each school division will receive a total between 1.0 and 14.5 percent in the first year and between 1.0 and 16.0 percent in the second year in additional basic aid per Free Lunch participant. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

3a) Local school divisions are required to spend the established At-Risk Add-On payment (state and local share) on approved programs for students who are educationally at risk.

b) To receive these funds, each school division shall certify to the Department of Education that the state and local share of the At-Risk Add-On payment will be used to support approved programs for students who are educationally at risk. These programs may include: teacher recruitment programs and incentives, Dropout Prevention, community and school-based truancy officer programs, Advancement Via Individual Determination (AVID), Project Discovery, Reading Recovery, programs for students who speak English as a Second Language, hiring additional school guidance counselors, testing coordinators, and licensed behavior analysts, or programs related to increasing the success of disadvantaged students in completing a high school degree and providing opportunities to encourage further education and training. Further, each school division shall report each year by August 1 to the Department the individual uses of these funds. The Department shall compile the responses and provide them to the Chairmen of House Appropriations and Senate Finance Committees no later than the first day of each Regular General Assembly Session.

4) If the Board of Education has required a local school board to submit a corrective action plan pursuant to § 22.1-253.13:3, Code of Virginia, either for the school division pursuant to a division level review, or for any schools within its division that have been designated as not meeting the standards as approved by the Board of Education, the Superintendent of Public Instruction shall determine and report to the Board of Education whether each such local school board has met its obligation to develop and submit such corrective action plan(s) and is making adequate and timely progress in implementing the plan(s). Additionally, if an academic or other review process undertaken pursuant to § 22.1-253.13:3, Code of Virginia, has identified actions for a local school board to implement, the Superintendent of Public Instruction shall determine and report to the Board of Education whether the local school board has implemented required actions. If the Superintendent certifies that a local school board has failed or refused to meet any of those obligations as referenced in a memorandum of understanding between the local school board and the Board of Education, the Board of Education shall withhold payment of some or all At-Risk Add-On funds otherwise allocated to the affected division pursuant to this allocation for the pending fiscal year. In determining the amount of At-Risk Add-On funds to be withheld, the Board of Education shall take into consideration the extent to which such funds have already been expended or contractually obligated. The local school board shall be given an opportunity to correct its failure and, if successful in a timely manner, may have some or all of its At-Risk Add-On funds restored at the Board of Education's discretion.

f. Regional Alternative Education Programs

1) An additional state payment of $8,767,652 the first year and ~~$9,434,794~~ $9,403,886 the second year from the Lottery Proceeds Fund shall be disbursed for Regional Alternative Education programs. Such programs shall be for the purpose of educating certain expelled students and, as appropriate, students who have received suspensions from public schools and students returned to the community from the Department of Juvenile Justice.

2) Each regional program shall have a small student/staff ratio. Such staff shall include, but not be limited to education, mental health, health, and law enforcement professionals, who will collaborate to provide for the academic, psychological, and social needs of the students. Each program shall be designed to ensure that students make the transition back into the "mainstream" within their local school division.

3) a) Regional alternative education programs are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs. This incremental per pupil payment shall be adjusted for the composite index of local ability-to-pay of the school division that counts such students attending such program in its March 31 Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the regional programs for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the school day or school year that the student does not attend such program.

b) In the event a school division does not use all of the student slots it is allocated under this program, the unused slots may be reallocated or transferred to another school division.

1. A school division must request from the Department of Education the availability and possible use of any unused student slots. If any unused slots are available and if the requesting school division chooses to utilize any of the unused slots, the requesting school division shall only receive the state's share of tuition for the unused slot that was allocated in this Item for the originally designated school division.

2. However, no requesting school division shall receive more tuition funding from the state for any requested unused slot than what would have been the calculated amount for the requesting school division had the unused slot been allocated to the requesting school division in the original budget. Furthermore, the requesting school division shall pay for any remaining tuition payment necessary for using a previously unused slot.

3. The Department of Education shall provide assistance for the state share of the incremental cost of Regional Alternative Education program operations based on the composite index of local ability-to-pay.

4) Out of this appropriation, ~~$673,213~~ $671,339 the second year from the Lottery Proceeds Fund is provided for a compensation supplement payment equal to 3.0 percent of base pay on July 1, 2010, and for a compensation supplement payment of up to 2.0 percent of base pay on September 1, 2010, for Regional Alternative Education Program instructional and support positions, as referenced in paragraph C. 30. of this Item.

g. Remedial Summer School

1) This appropriation includes $24,658,157 the first year and ~~$24,976,867~~ $22,175,764 the second year from the general fund for the state's share of Remedial Summer School Programs. These funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer school session or during an intersession in the case of year-round schools. These funds may be used in conjunction with other sources of state funding for remediation or intervention. School divisions shall have maximum flexibility with respect to the use of these funds and the types of remediation programs offered; however, in exercising this flexibility, students attending these programs shall not be charged tuition and no high school credit may be awarded to students who participate in this program.

2) For school divisions charging students tuition for summer high school credit courses, consideration shall be given to students from households with extenuating financial circumstances who are repeating a class in order to graduate.

3) From the amounts provided for Remedial Summer School, there is hereby appropriated $550,000 the first year and $550,000 the second year from the general fund to support pilot public-private partnerships between local school divisions and the Greater Richmond and Central Virginia affiliates of the Virginia Alliance of YMCAs to expand student participation opportunities in existing summer Power Scholars Academies in such partnered school divisions. The Virginia Alliance of YMCAs shall prepare and submit an evaluation report for such pilot partnerships between the school divisions and the Greater Richmond and Central Virginia YMCA affiliates to the Chairmen of House Appropriations and Senate Finance Committees no later than October 31, 2018.

10. K-3 Primary Class Size Reduction Payments

a. An additional payment estimated at $125,175,585 the first year and ~~$128,005,970~~ $125,226,194 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education as an incentive for reducing class sizes in the primary grades.

b. The Department of Education shall calculate the payment based on the incremental cost of providing the lower class sizes based on the lower of the division average per pupil cost of all divisions or the actual division per pupil cost.

c. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.

d. By October 15 of each year school divisions must provide data to the Department of Education that each participating school has a September 30 pupil/teacher ratio in grades K through 3 that meet the following criteria:

Qualifying School Percentage of Students Eligible for Free Lunch, Three-Year Average	**Approved Grades K-3 School Ratio**	**Maximum Individual K-3 Class Size**
30% but less than 45%	19 to 1	24
45% but less than 55%	18 to 1	23
55% but less than 65%	17 to 1	22
65% but less than 70%	16 to 1	21
70% but less than 75%	15 to 1	20
75% or more	14 to 1	19

e. School divisions may elect to have eligible schools participate at a higher ratio, or only in a portion of grades kindergarten through three, with a commensurate reduction of state and required local funds, if local conditions do not permit participation at the established ratio and/or maximum individual class size. In the event that a school division requires additional actions to ensure participation at the established ratio and/or maximum individual class size, such actions must be completed by December 1 of the impacted school year. Special education teachers and instructional aides shall not be counted towards meeting these required pupil/teacher ratios in grades kindergarten through three.

f. The Superintendent of Public Instruction may grant waivers to school divisions for the class size requirement in eligible schools that have only one class in an affected grade level in the school.

11. Literary Fund Subsidy Program Payments

a. The Department of Education and the Virginia Public School Authority (VPSA) shall provide a program of funding for school construction and renovation through the Literary Fund and through VPSA bond sales. The program shall be used to provide funds, through Literary Fund loans and subsidies, and through VPSA bond sales, to fund a portion of the projects on the First or Second Literary Fund Waiting List, or other critical projects which may receive priority placement on the First or Second Literary Fund Waiting List by the Department of Education. Interest rate subsidies will provide school divisions with the present value difference in debt service between a Literary Fund loan and a borrowing through the VPSA. To qualify for an interest rate subsidy, the school division's project must be eligible for a Literary Fund loan and shall be subject to the same restrictions. The VPSA shall work with the Department of Education in selecting those projects to be funded through the interest rate subsidy/bond financing program, so as to ensure the maximum leverage of Literary Fund moneys and a minimum impact on the VPSA Bond Pool.

b. The Virginia Public School Authority shall provide an interest rate subsidy program in fiscal year 2020 for projects that are on the Board of Education's First Priority Waiting List, and which shall only use the subsidy funding and associated VPSA borrowing as original financing for the project and not to refinance any prior debt on the project. Projects on the Literary Fund Second Priority Waiting List may participate in the Interest Rate Subsidy Program if unused subsidy appropriation remains once the participation of projects on the First Priority Waiting List is confirmed and subject to the same restrictions. However, the total cost of the subsidy program shall not exceed $5.0 million in the second year including the subsidy payments and related issuance costs based on the parameters in Senate Bill 1093, as passed during 2019 Session. In addition, $30.0 million in Literary Fund revenues shall be used to provide school construction loans for projects that are on the Board of Education's First Priority Waiting List.

c. The Department of Education may offer Literary Fund loans from the uncommitted balances of the Literary Fund after meeting the obligations of the interest rate subsidy sales and the amounts set aside from the Literary Fund for Debt Service Payments for Education Technology and Security Equipment in this Item.

d. 1) In the event that on any scheduled payment date of bonds of the Virginia Public School Authority (VPSA) authorized under the provisions of a bond resolution adopted subsequent to June 30, 1997, issued subsequent to June 30, 1997, and not benefiting from the provisions of either § 22.1-168 (iii), (iv), and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the sum of (i) the payments on general obligation school bonds of cities, counties, and towns (localities) paid to the VPSA and (ii) the proceeds derived from the application of the provisions of § 15.2-2659, Code of Virginia, to such bonds of localities, is less than the debt service due on such bonds of the VPSA on such date, there is hereby appropriated to the VPSA, first, from available moneys of the Literary Fund and, second, from the general fund a sum equal to such deficiency.

2) The Commonwealth shall be subrogated to the VPSA to the extent of any such appropriation paid to the VPSA and shall be entitled to enforce the VPSA's remedies with respect to the defaulting locality and to full recovery of the amount of such deficiency, together with interest at the rate of the defaulting locality's bonds.

e. The chairman of the Board of Commissioners of the VPSA shall, on or before November 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds of the VPSA issued and projected to be issued during such biennium pursuant to the bond resolution referred to in paragraph a above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

12. Educational Technology Payments

a. Any unobligated amounts transferred to the educational technology fund shall be disbursed on a pro rata basis to localities. The additional funds shall be used for technology needs identified in the division's technology plan approved by the Department of Education.

b. The Department of Education shall authorize estimated amounts as indicated in Table 1 from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in the referenced years.

Table 1

Grant Year	**FY 2019**	**FY 2020**
2014	$13,240,500	
2015	$13,808,750	$13,807,500
2016	$13,758,000	$13,753,750
2017	$13,953,750	$13,949,750
2018	$12,474,388	$12,471,250
2019		~~$12,434,267~~ $11,975,475

c. It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for education technology grant programs. In developing the proposed 2020-2022, 2022-2024, and 2024-2026 biennial budgets for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2021, 2022, 2023, 2024, 2025, and 2026.

d. 1) An education technology grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at $57,017,700 in fiscal year 2019 and ~~$58,612,800~~ $56,264,400 in fiscal year 2020. Proceeds of the notes will be used to establish a computer-based instructional and testing system for the Standards of Learning (SOL) and to develop the capability for high speed Internet connectivity at high schools followed by middle schools followed by elementary schools. School divisions shall use these funds first to develop and maintain the capability to support the administration of online SOL testing for all students with the exception of students with a documented need for a paper SOL test.

2) Grant funds from the issuance of $57,017,700 in fiscal year 2019 and ~~$58,612,800~~ $56,264,400 in fiscal year 2020 in equipment notes are based on a grant of $26,000 per school and $50,000 per school division. For purposes of this grant program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2018, for the fiscal year 2019 issuance, and September 30, 2019, for the fiscal year 2020 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, CodeRVA Regional High School, and the School for the Deaf and the Blind. Schools that serve only pre-kindergarten students shall not be eligible for this grant.

3. a.) Supplemental grants shall be allocated to eligible divisions to support schools that are not fully accredited in accordance with this paragraph. Schools that include a ninth grade that administer SOL tests in Spring 2018 and that are not fully accredited for the second consecutive year, based on school accreditation ratings in effect for fiscal year 2018 and fiscal year 2019 will qualify to participate in the Virginia e-Learning Backpack Initiative in fiscal year 2019 and receive: (1) a supplemental grant of $400 per student reported in ninth grade fall membership in a qualifying school for the purchase of a laptop or tablet for that student and (2) a supplemental grant of $2,400 per qualifying school to purchase two content creation packages for teachers. Schools eligible to receive this supplemental grant in fiscal year 2019 shall continue to receive the grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. Schools that administer SOL tests in Spring 2019 and that are not fully accredited for the second consecutive year based on school accreditation ratings in effect for fiscal year 2019 and fiscal year 2020 will qualify to participate in the initiative in fiscal year 2020. Schools eligible for the supplemental grants in previous fiscal years shall continue to be eligible for the remaining years of their grant award. Schools eligible to receive this supplemental grant in fiscal year 2020 shall continue to receive the grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. Grants awarded to qualifying schools that do not have grades 10, 11, or 12 may transition with the students to the primary receiving school for all years subsequent to grade 9. Schools are eligible to receive these grants for a period of up to four years beginning in fiscal year 2014 and shall not be eligible to receive a separate award in the future once the original award period has concluded. Schools that are fully accredited or that are new schools with conditional accreditation in their first year shall not be eligible to receive this supplemental grant.

b.) Supplemental grants allocated to school divisions for participation in the Virginia e-Learning Backpack Initiative prior to fiscal year 2017 shall be used in eligible schools for (1) the purchase of a laptop or tablet for a student reported in ninth grade fall membership, and (2) the purchase of two content creation packages for teachers per grant. The amounts for such grants shall remain unchanged.

4) Required local match:

a) Localities are required to provide a match for these funds equal to 20 percent of the grant amount, including the supplemental grants provided pursuant to paragraph g. 5). At least 25 percent of the local match, including the match for supplemental grants, shall be

used for teacher training in the use of instructional technology, with the remainder spent on other required uses. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match requirement.

b) School divisions that administer 100 percent of SOL tests online in all elementary, middle, and high schools may use up to 75 percent of their required local match to purchase targeted technology-based interventions. Such interventions may include the necessary technology and software to support online learning, technology-based content systems, content management systems, technology equipment systems, information and data management systems, and other appropriate technologies that support the individual needs of learners. School divisions that receive supplemental grants pursuant to paragraph g.5) above shall use the funds in qualifying schools to purchase laptops and tablets for ninth grade students reported in fall membership and content creation packages for teachers.

5) The goal of the education technology grant program is to improve the instructional, remedial, and testing capabilities of the Standards of Learning for local school divisions and to increase the number of schools achieving full accreditation.

6) Funds shall be used in the following manner:

a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to computer ratio; (2) an Internet-ready local area network (LAN) capability: and (3) high speed access to the Internet. School connectivity (computers, LANs and network access) shall include sufficient download/upload capability to ensure that each student will have adequate access to Internet-based instructional, remedial and assessment programs.

b) When each high school in a division meets the goals established in paragraph a) above, the remaining funds shall be used to develop similar capability in first the middle schools and then the elementary schools.

c) For purposes of establishing or enhancing a computer-based instructional program supporting the Standards of Learning pursuant to paragraph g. 1) above, these grant funds may be used to purchase handheld multifunctional computing devices that support a broad range of applications and that are controlled by operating systems providing full multimedia support and mobile Internet connectivity. School divisions that elect to use these grant funds to purchase such qualifying handheld devices must continue to meet the on-line testing requirements stated in paragraph g. 1) above.

d) School divisions shall be eligible to receive supplemental grants pursuant to paragraph g.5) above. These supplemental grants shall be used in qualifying schools for the purchase of laptops and tablets for ninth grade students reported in fall membership and content creation packages for teachers. Participating school divisions will be required to select a core set of electronic textbooks, applications and online services for productivity, learning management, collaboration, practice, and assessment to be included on all devices. In addition, participating school divisions will assume recurring costs for electronic textbook purchases and maintenance.

e) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be provided funding through this program on the basis of having the same number of school divisions as existed prior to September 30, 2000.

7) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds, and to the extent possible, use such funds to supplement the program and meet the goals of this program.

e. The Department of Education shall maintain criteria to determine if high schools, middle schools, or elementary schools have the capacity to meet the goals of this initiative. The Department of Education shall be responsible for the project management of this program.

f. 1) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the amounts authorized for debt service due on such bonds or notes of the VPSA on such date, there is hereby appropriated to the VPSA from the general fund a sum equal to such deficiency.

2) The Chairman of the Board of Commissioners of the VPSA shall, on or before November 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes of the VPSA issued and projected to be issued during such biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

g. Unobligated proceeds of the notes, including investment income derived from the proceeds of the notes may be used to pay interest on, or to decrease principal of the notes or to fund a portion of such other educational technology grants as authorized by the General Assembly.

h. 1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies with State Government" and for the purposes of § 56-234 "Contracts for Service Rendered by a Telephone Company for the State Government" shall be deemed to include communications lines into public schools which are used for educational technology. The rate structure for such lines shall be negotiated by the Superintendent of Public Instruction and the Chief Information Officer of the Virginia Information Technologies Agency. Further, the Superintendent and Director are authorized to encourage the development of "by-pass" infrastructure in localities where it fails to obtain competitive prices or prices consistent with the best rates obtained in other parts of the state.

2) The State Corporation Commission, in its consideration of the discount for services provided to elementary schools, secondary schools, and libraries and the universal service funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is hereby encouraged to make the discounts for intrastate services provided to elementary schools, secondary schools, and libraries for educational purposes as large as is prudently possible and to fund such discounts through the universal fund as provided in § 254 of the Telecommunications Act of 1996. The commission shall proceed as expeditiously as possible in implementing these discounts and the funding mechanism for intrastate services, consistent with the rules of the Federal Communications Commission aimed at the preservation and advancement of universal service.

13. Security Equipment Payments

1) A security equipment grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at up to $6,000,000 in fiscal year 2019 and $12,000,000 in fiscal year 2020 in conjunction with the Virginia Public School Authority technology notes program authorized in C.12. of this Item. Proceeds of the notes will be used to help offset the related costs associated with the purchase of appropriate security equipment that will improve and help ensure the safety of students attending public schools in Virginia.

2) The Department of Education shall authorize estimated amounts as indicated in Table 1 from the Literary Fund to provide debt service payments for the security equipment grant programs conducted through the Virginia Public School Authority in the referenced years.

Table 1

Grant Year	FY 2019	FY 2020
2014	$1,239,000	
2015	$1,245,750	$1,244,250
2016	$1,233,000	$1,234,750
2017	$1,246,250	$1,250,000
2018	$1,273,531	$1,270,750
2019		~~$1,310,127~~ $1,260,301

3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2020-2022, 2022-2024, and 2024-2026 biennial budgets for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2021, 2022, 2023, 2024, 2025, and 2026.

4) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the amounts authorized for debt service due on such bonds or notes on such date, there is hereby appropriated to the Virginia Public School Authority from the general fund a sum equal to such deficiency.

5) The Chairman of the Board of Commissioners of the Virginia Public School Authority shall, on or before November 1 of each year, deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes issued and projected to be issued during such biennium. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

6) Grant award funds from the issuance of up to $6,000,000 in fiscal year 2019 and $12,000,000 in fiscal year 2020 in equipment notes shall be distributed to eligible school divisions. The grant awards will be based on a competitive grant basis of up to $250,000 per school division. School divisions will be permitted to apply annually for grant funding. For purposes of this program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2018, for the fiscal year 2019 issuance, and September 30, 2019, for the fiscal year 2020 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, and the Virginia School for the Deaf and the Blind.

7) School divisions would submit their application to Department of Education by August 1 of each year based on the criteria developed by the Department of Education in collaboration with the Department of Criminal Justice Services who will provide requested technical support. Furthermore, the Department of Education will have the authority to make such grant awards to such school divisions.

8) It is also the intent of the General Assembly that, beginning with fiscal year 2020, the total amount of the grant awards shall not exceed $60,000,000 over any ongoing revolving five year period.

9) Required local match:

a) Localities are required to provide a match for these funds equal to 25 percent of the grant amount. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match requirement.

b) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be provided funding through this program on the basis of having the same number of school divisions as existed prior to September 30, 2000.

c) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds, and to the extent possible, use such funds to supplement the program and meet the goals of this program.

14. Virginia Preschool Initiative Payments

a.1) It is the intent of the General Assembly that a payment estimated at $70,049,572 the first year and ~~$72,351,058~~ $73,290,301 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to schools and community-based organizations to provide quality preschool programs for at-risk four-year-olds who are residents of Virginia and unserved by Head Start program funding and for at-risk five-year-olds who are not eligible to attend kindergarten. In no event shall distributions from the Lottery Proceeds Fund be made directly to community-based or private providers.

2) These state funds and required local matching funds shall be used to provide programs for at-risk four-year-old children, which include quality preschool education, health services, social services, parental involvement and transportation. It shall be the policy of the Commonwealth that state funds and required local matching funds for the Virginia Preschool Initiative not be used for capital outlay. Programs must provide full-day or half-day and, at least, school-year services.

3) The Department of Education shall establish academic standards that are in accordance with appropriate preparation for students to be ready to successfully enter kindergarten. These standards shall be established in such a manner as to be measurable for student achievement and success. Students shall be required to be evaluated in the fall and in the spring by each participating school division and the school divisions must certify that the Virginia Preschool Initiative program follows the established standards in order to receive the funding for quality preschool education and criteria for the service components. Such standards shall align with the Virginia Standards of Learning for Kindergarten.

4) a) Grants shall be distributed based on an allocation formula providing the state share of a $6,326 grant for 100 percent of the unserved at-risk four-year-olds in each locality for a full-day program. The number of unserved at-risk four-year-olds in each locality shall be based on the projected number of kindergarten students, updated once each biennium for the Governor's introduced biennial budget. Half-day programs shall operate for a minimum of three hours of classroom instructional time per day, excluding breaks for lunch, and grants to half-day programs shall be funded based on the state share of $3,163 per unserved at-risk four-year-old in each locality. Full-day programs shall operate for a minimum of five and one-half instructional hours, excluding breaks for meals. Virginia Preschool Initiative programs may include unstructured recreational time that is intended to develop teamwork, social skills, and overall physical fitness in any calculation of total instructional time, provided that such unstructured recreational time does not exceed 15 percent of total instructional time or teaching hours. No additional state funding is provided for programs operating greater than three hours per day but less than five and one-half hours per day. In determining the state and local shares of funding, the composite index of local ability-to-pay is capped at 0.5000.

b) For new programs in the first year of implementation only, programs operating less than a full school year shall receive state funds on a fractional basis determined by the pro-rata portion of a school year program provided. In determining the prorated state funds to be received, a school year shall be 180 days or 990 teaching hours.

b.1) Any locality which desires to participate in this grant program must submit a proposal through its chief administrator (county administrator or city manager) by May 15 of each year. The chief administrator, in conjunction with the school superintendent, shall identify a lead agency for this program within the locality. The lead agency shall be responsible for developing a local plan for the delivery of quality preschool services to at-risk children which demonstrates the coordination of resources and the combination of funding streams in an effort to serve the greatest number of at-risk four-year-old children.

2) The proposal must demonstrate coordination with all parties necessary for the successful delivery of comprehensive services, including the schools, child care providers, local social services agency, Head Start, local health department, and other groups identified by the lead agency.

3) A local match, based on the composite index of local ability-to-pay, shall be required. For purposes of meeting the local match, localities may use local expenditures for existing qualifying programs, however, at least seventy-five percent of the local match will be cash and no more than twenty-five percent will be in-kind. In-kind contributions are defined as cash outlays that are made by the locality that benefit the program but are not directly charged to the program. The value of fixed assets cannot be considered as an in-kind contribution. Philanthropic or other private funds may be contributed to the locality to be appropriated in their local budget and then utilized as local match. Localities shall also continue to pursue and coordinate other funding sources, including child care subsidies. Funds received through this program must be used to supplement, not supplant, any funds currently provided for programs within the locality. However, in the event a locality is unable to continue the previous level of support to programs for at-risk four-year-olds from Title I of the federal Elementary and Secondary Education Act (ESEA), the state and local funds provided in this grants program may be used to continue services to these Title I students. Such inability may occur due to adjustments to the allocation formula in the reauthorization of ESEA as the Every Student Succeeds Act of 2015, or due to a percentage reduction in a locality's Title I allocation in a particular year. Any locality so affected shall provide written evidence to the Superintendent of Public Instruction and request his approval to continue the services to Title I students.

c. Local plans must provide clear methods of service coordination for the purpose of reducing the per child cost for the service, increasing the number of at-risk children served and/or extending services for the entire year. Examples of these include:

1) "Wraparound Services" -- methods for combining funds such as child care subsidy dollars administered by local social service agencies with dollars for quality preschool education programs.

2) "Wrap-out Services" - methods for using grant funds to purchase quality preschool services to at-risk four-year-old children through an existing child care setting by purchasing comprehensive services within a setting which currently provides quality preschool education.

3) "Expansion of Service" - methods for using grant funds to purchase slots within existing programs, such as Head Start, which provide comprehensive services to at-risk four-year-old children.

d.1) Local plans must indicate the number of at-risk four-year-old children to be served, and the eligibility criteria for participation in this program shall be consistent with the economic and educational risk factors stated in the 2015-2016 programs guidelines that are specific to: (i) family income at or below 200 percent of federal poverty guidelines, (ii) homelessness, (iii) student's parents or guardians are school dropouts, or (iv) family income is above 200 percent but at or below 350 percent of federal poverty guidelines in the case of students with special needs or disabilities. Up to 15 percent of a division's slots may be filled based on locally established eligibility criteria so as to meet the unique needs of at-risk children in the community.

2) The Department of Education is directed to compile from each school division the aggregated information as to the number of enrolled students whose families are (i) at or below 130 percent of poverty, (ii) above 130 percent but at or below 200 percent of poverty, (iii) above 200 percent but at or below 350 percent of poverty, and (iv) above 350 percent of poverty. The Department shall report this information annually, after the application and fall participation reports are submitted to the Department from the school divisions, to the Chairmen of House Appropriations and Senate Finance Committees. In addition, the Department will post and maintain the summary information by division on the Department's website in keeping with current student privacy policies.

e.1) The Department of Education shall provide technical assistance for the administration of this grant program to provide assistance to localities in developing a comprehensive, coordinated, quality preschool program for serving at-risk four-year-old children.

2) The Department shall provide interested localities with information on models for service delivery, methods of coordinating funding streams, such as funds to match federal IV-A child care dollars, to maximize funding without supplanting existing sources of funding for the provision of services to at-risk four-year-old children. A priority for technical assistance in the design of programs shall be given to localities where the majority of the at-risk four-year-old population is currently unserved.

f. The Department of Education shall include in the program's application package specific information regarding the potential availability of funding for supplemental grants that may be used for one-time expenses, other than capital, related to start-up or expansion of programs, with priority given to proposals for expanding the use of partnerships with either nonprofit or for-profit providers. Furthermore, the Department is mandated to communicate to all eligible school divisions the remaining available balances in the program's adopted budget, after the fall participation reports have been submitted and finalized for such grants.

g. Beginning in school year 2019-2020, one-time waiting list slots may, subject to available funds, be provided to school divisions that have utilized 100 percent of their calculated slots in the previous school year and had a waiting list for unserved eligible children as certified by such school divisions on the Virginia Preschool Initiative Fall Verification Report submitted to the Department of Education in the previous school year. Further, eligible school divisions that may request and receive a one-time allocation of such slots in the subsequent school year, shall offer such slots to at-risk four-year old children that (i) family income at or below 200 percent of federal poverty guidelines, (ii) family income is above 200 percent but at or below 350 percent of federal poverty guidelines in the case of students with special needs or disabilities, (iii) homelessness, or (iv) student's parents or guardians are school dropouts. The amount of funding available to provide any waiting list slots to eligible school divisions shall be determined by the previous fiscal year year-end balance of the allocations in paragraph C. 14. a. 1) of this item. Further, the Department of Education shall ensure that supplemental grants for onetime expenses, other than capital, related to start-up or expansion of Virginia Preschool Initiative program in paragraph C. 14. f. of this item, are awarded and allocated first from any available balances in the program's adopted budget, after the fall participation reports have been submitted and finalized before any remaining balances are considered for waiting list slots. Any such remaining balances not awarded and allocated in the current fiscal year for start-up or expansion grants shall be carried forward to the next fiscal year to support waiting list slots. Available funding shall be provided only to eligible school divisions that report using 100 percent of the upcoming school year slot allocation in the May 15 grant proposal and report using 100 percent of the school year slot allocation on the Virginia Preschool Initiative Fall Verification Report submitted to the Department of Education for the school year that waiting list slots are provided. If a school division's Virginia Preschool Initiative Fall Verification Report submitted to the Department of Education does not certify that 100 percent of the school year calculated slot allocation is used, then the Department of Education shall withdraw enough of the granted waiting list slots and associated funding provided such that the net difference between the withdrawn waiting list slots make up the percentage deficient from the school year calculated slot allocation not used. The Department of Education shall submit a

comprehensive report, detailing, but not limited to, the number of calculated slots and funding allocated to each school division, the number of calculated slots filled by each school division, supplemental grants requested and awarded by each school division, the number of waiting list slots requested by each school division, the number of waiting list slots offered to each school division, the number of waiting list slots filled by each school division and the funding allocated for the filled waiting list slots by each school division, to the Chairmen of House Appropriations and Senate Finance Committees no later than December 31, 2019, and annually thereafter.

h. Out of the appropriation in this Item, $304,088 the first year and $306,100 the second year from the ~~general fund~~ Lottery Proceeds Fund is allocated for the Department of Education to provide grants of no more than $30,000 each for local school divisions that have applied for such funds for the sole purpose of providing financial incentives to provisionally licensed teachers teaching students enrolled in the Virginia Preschool Initiative and who are actively engaged in coursework and professional development, toward achieving the required degree and license that satisfy the licensure requirements reflected in § 22.1-299, Code of Virginia. School divisions must submit applications to the Department of Education by December 1 of each year. Priority for awarding grants shall be given to hard-to-staff schools and schools with the highest number of provisionally licensed teachers teaching students enrolled in the Virginia Preschool Initiative. The Department of Education shall develop the application process to be provided to school divisions that have provisionally licensed teachers employed and are teaching students enrolled in the Virginia Preschool Initiative. Any funds not awarded from this grant program in fiscal year 2019 may be awarded for supplemental grants for onetime expenses, other than capital, related to start-up or expansion of Virginia Preschool Initiative programs in paragraph C.14.f. of this Item. Any such remaining balances not awarded and allocated in fiscal year 2019 for start-up or expansion grants shall be carried forward to fiscal year 2020 to support waiting list slots.

j. Out of the appropriation in this Item, $75,000 the first year from the general fund is provided such that, beginning July 1, 2018, the Department of Education shall develop a plan to ensure that high quality instruction is provided in the Virginia Preschool Initiative program's individual preschool classrooms. The plan shall detail how the Department will (i) monitor and assess the quality of teacher-child interactions within each preschool classroom at least once every two years, (ii) ensure the use of evidence-based curricula is implemented in each preschool classroom and take necessary corrective action if evidence-based curriculum is not used or effective by the following school year, and, (iii) facilitate and provide individualized professional development for Virginia Preschool Initiative classroom teachers to ensure the necessary teaching skills are aligned for the pedagogy of high quality preschool classroom experiences and (iv) provide informative and complete information about how Virginia Preschool Initiative funding, from all sources, supports quality preschool experiences for children enrolled in the local public school divisions in Virginia. The plan shall also include details on the number of staff, tasks and duties, and possible funding needed to carry out these responsibilities. The Department shall submit its complete detailed plan to the Chairmen of House Appropriations and Senate Finance Committees by November 1, 2018.

15. Early Reading Intervention Payments

a. An additional payment of $23,578,891 the first year and ~~$23,571,284~~ $27,670,562 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing early reading intervention services to students in grades kindergarten through 3 who demonstrate deficiencies based on their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests of any local school board which requests authority to use a test other than the state-provided test to ensure that such local test uses criteria for the early diagnosis of reading deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

b. These payments shall be based on the state's share of the cost of providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio of five to one. The estimated number of students in each school division in each year shall be determined by multiplying the projected number of students reported in each school division's fall membership in grades kindergarten, 1, 2, and 3 by the percent of students who are determined to need services based on diagnostic tests administered in the previous year in that school division and adjusted in the following manner:

	Year 1	**Year 2**
Kindergarten	100%	100%
Grade 1	100%	100%
Grade 2	100%	100%
Grade 3	100%	100%

c. These payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. At the beginning of the school year, local school divisions shall partner with the parents of those third grade students in the division who demonstrate reading deficiencies, discussing with them a developed plan for remediation and retesting. Such intervention programs, at the discretion of the local school division, may include, but not be limited to, the use of: special reading teachers; trained aides; full-time early literacy tutors; volunteer tutors under the supervision of a certified teacher; computer-based reading tutorial programs; aides to instruct in-class groups while the teacher provides direct instruction to the students who need extra assistance; or extended instructional time in the school day or year for these students. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

d. In the event that a school division does not use the diagnostic test provided by the Department of Education in the year that serves as the basis for updating the funding formula for this program but has used it in past years, the Department of Education shall use the most recent data available for the division for the state-provided diagnostic test.

e. The results of all reading diagnostic tests and reading remediation shall be discussed with the student and the student's parent prior to the student being promoted to grade four.

f. Funds appropriated for Standards of Quality Prevention, Intervention, and Remediation, Remedial Summer School, or At-Risk Add-On may also be used to meet the requirements of this program.

16. Standards of Learning Algebra Readiness Payments

a. An additional payment of $13,099,389 the first year and ~~$13,061,697~~ $13,633,162 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing math intervention services to students in grades 6, 7, 8 and 9 who are at-risk of failing the Algebra I end-of-course test, as demonstrated by their individual performance on diagnostic tests which have been approved by the Department of Education. These amounts reflect $200,000 the first year and $200,000 the second year apportioned to each school division to account for the cost of the diagnostic test. The Department of Education shall review the tests to ensure that such local test uses state-provided criteria for diagnosis of math deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

b. These payments shall be based on the state's share of the cost of providing two and one-half hours of additional instruction each week for an estimated number of students in each school division at a student to teacher ratio often to one. The estimate number of students in each school division shall be determined by multiplying the projected number of students reported in each school division's fall membership by the percent of students that qualify for the federal Free Lunch Program.

c. These payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

17. School Construction Grants Program Escrow

Notwithstanding the requirements of § 22.1-175.5, Code of Virginia, school divisions are permitted to withdraw funds from local escrow accounts established pursuant to § 22.1-175.5 to pay for recurring operational expenses incurred by the school division. Localities are not required to provide a local match of the withdrawn funds.

18. English as a Second Language Payments

A payment of $59,957,366 the first year and ~~$62,519,408~~ $65,356,159 the second year from the general fund shall be disbursed by the Department of Education to local school divisions to support the state share of 17 professional instructional positions per 1,000 students for whom English is a second language. Local school divisions shall provide a local match based on the composite index of local ability-to-pay.

19. Special Education Instruction Payments

a. The Department of Education shall establish rates for all elements of Special Education Instruction Payments.

b. Out of the appropriations in this Item, the Department of Education shall make available, subject to implementation by the Superintendent of Public Instruction, an amount estimated at $89,503,626 the first year and ~~$100,397,909~~ $92,993,005 the second year from the general fund for the purpose of the state's share of the tuition rates for approved public Special Education Regional Tuition school programs. Notwithstanding any contrary provision of law, the state's share of the tuition rates shall be based on the composite index of local ability-to-pay.

c. Out of the amounts for Financial Assistance for Categorical Programs, $35,588,024 the first year and ~~$35,660,182~~ $35,463,706 the second year from the general fund is appropriated to permit the Department of Education to enter into agreements with selected local school boards for the provision of educational services to children residing in certain hospitals, clinics, and detention homes by employees of the local school boards. The portion of these funds provided for educational services to children residing in local or regional detention homes shall only be determined on the basis of children detained in such facilities through a court order issued by a court of the Commonwealth. The selection and employment of instructional and administrative personnel under such agreements will be the responsibility of the local school board in accordance with procedures as prescribed by the local school board. State payments for the first year to the local school boards operating these programs will be based on certified expenditures from the fourth quarter of FY 2018 and the first three quarters of FY 2019. State payments for the second year to the local school boards operating these programs will be based on certified expenditures from the fourth quarter of FY 2019 and the first three quarters of FY 2020.

20. Vocational Education Instruction Payments

a. It is the intention of the General Assembly that the Department of Education explore initiatives that will encourage greater cooperation between jurisdictions and the Virginia Community College System in meeting the needs of public school systems.

b. This appropriation includes $1,800,000 the first year and $1,800,000 the second year from the Lottery Proceeds Fund for secondary vocational-technical equipment. A base allocation of $2,000 each year shall be available for all divisions, with the remainder of the funding distributed on the basis of student enrollment in secondary vocational-technical courses. State funds received for secondary vocational-technical equipment must be used to supplement, not supplant, any funds currently provided for secondary vocational-technical equipment within the locality. Local school divisions are not required to provide a local match in order to receive these state funds.

c.1) This appropriation includes an additional $2,000,000 the first year and $2,000,000 the second year from the Lottery Proceeds Fund to update vocational-technical equipment to industry standards providing students with classroom experience that translates to the workforce.

2) Of this amount, $1,400,000 the first year and $1,400,000 the second year is provided for vocational-technical equipment in high-demand, high-skill, and fast-growth industry sectors as identified by the Virginia Board of Workforce Development and based on data from the Bureau of Labor Statistics and the Virginia Employment Commission.

3) Of this amount, $600,000 the first year and $600,000 the second year will be awarded based on competitive innovative program grants for high-demand and fast-growth industry sectors with priority given to state-identified challenged schools, the Governor's Science Technology, Engineering, and Mathematics (STEM) academies, and the Governor's Health Science Academies.

d. This appropriation includes $500,000 the first year and $500,000 the second year from the Lottery Proceeds Fund to support credentialing testing materials for students and professional development for instructors in science, technology, engineering, and mathematics-health sciences (STEM-H) career and technical education programs.

21. Adult Education Payments

State funds shall be used to reimburse general adult education programs on a fixed cost per pupil or cost per class basis. No state funds shall be used to support vocational noncredit courses.

22. General Education Payments

a. This appropriation includes $2,410,988 the first year and $2,410,988 the second year from the Lottery Proceeds Fund to support Race to GED. Out of this appropriation, $465,375 the first year and $465,375 the second year shall be used for PluggedIn VA.

b. This appropriation includes $1,387,240 the first year and $1,387,240 the second year from the Lottery Proceeds Fund to support Project Graduation and any associated administrative and contractual service expenditures related to this initiative.

23. Virtual Virginia Payments

a. From appropriations in this Item, the Department of Education shall provide assistance for the Virtual Virginia program.

b. This appropriation includes $498,000 the first year and $498,000 the second year from the general fund to support the Virtual Virginia full-time program for 200 students in grades nine through 12.

c. This appropriation includes $330,000 the first year and $330,000 the second year from the general fund to support the virtual mathematics outreach program.

d. The local share of costs associated with the operation of the Virtual Virginia program shall be computed using the composite index of local ability-to-pay.

e. The Department of Education shall develop a plan to establish a per-student, per-course fee schedule for local school divisions to participate in Virtual Virginia (VVA) coursework for elementary, middle, and high school students. Such fee schedule plan shall provide (i) an allotment of slots, determined by the Department, per course to a school division free of charge, and (ii) for any slots a school division wishes to use beyond the free slots, a per-course, per-student fee that may include discounts for school divisions based upon the composite index of local ability to pay. The department shall also include in its plan the current student participation enrollment by grade level in each VVA course, the number of students enrolled in VVA courses that a fee of any kind is charged and how such fee is currently paid for in each participating school division. The department shall submit its Virtual Virginia Plan to the Chairmen of House Appropriations and Senate Finance Committee upon completion of developing such plan.

24. Individual Student Alternative Education Program (ISAEP) Payments

Out of this appropriation, $2,247,581 the first year and $2,247,581 in the second year from the Lottery Proceeds Fund shall be provided for the secondary schools' Individual Student Alternative Education Program (ISAEP), pursuant to Chapter 488 and Chapter 552 of the 1999 Session of the General Assembly.

25. Foster Children Education Payments

a. An additional state payment is provided from the Lottery Proceeds Fund for the prior year's local operations costs, as determined by the Department of Education, for each pupil of school age as defined in § 22.1-1, Code of Virginia, not a resident of the school division providing his education (a) who has been placed in foster care or other custodial care within the geographical boundaries of such school division by a Virginia agency, whether state or local, which is authorized under the laws of this Commonwealth to place children; (b) who has been placed in an orphanage or children's home which exercises legal guardianship rights; or (c) who is a resident of Virginia and has been placed, not solely for school purposes, in a child-caring institution or group home.

b. This appropriation provides $9,615,192 the first year and ~~$10,387,961~~ $10,152,360 the second year from the Lottery Proceeds Fund to support children attending public school who have been placed in foster care or other such custodial care across jurisdictional lines, as provided by subsections A and B of § 22.1-101.1, Code of Virginia. To the extent these funds are not adequate to cover the full costs specified therein, the Department is authorized to expend unobligated balances in this Item for this support.

26. Sales Tax Payments

a. This is a sum-sufficient appropriation for distribution to counties, cities and towns a portion of net revenue from the state sales and use tax, in support of the Standards of Quality (Title 22.1, Chapter 13.2, Code of Virginia) (See the Attorney General's opinion of August 3, 1982).

b. Certification of payments and distribution of this appropriation shall be made by the State Comptroller.

c. The distribution of state sales tax funds shall be made in equal bimonthly payments at the middle and end of each month.

d. Included in this appropriation are the accelerated sales tax revenues attributable to §58.1-638 B., D., and F.I., Code of Virginia, and collected pursuant to §3-5.06 of this act.

27. Adult Literacy Payments

a. Appropriations in this Item include $125,000 the first year and $125,000 the second year from the general fund for the ongoing literacy programs conducted by Mountain Empire Community College.

b. Out of this appropriation, the Department of Education shall provide $100,000 the first year and $100,000 the second year from the general fund for the Virginia Literacy Foundation grants to support programs for adult literacy including those delivered by community-based organizations and school divisions providing services for adults with 0-9th grade reading skills.

28. Governor's School Payments

a. Out of the amounts for Governor's School Payments, the Department of Education shall provide assistance for the state share of the incremental cost of regular school year Governor's Schools based on each participating locality's composite index of local ability-to-pay. Participating school divisions must certify that no tuition is assessed to students for participation in this program.

b.1) Out of the amounts for Governor's School Payments, the Department of Education shall provide assistance for the state share of the incremental cost of summer residential Governor's Schools and Foreign Language Academies to be based on the greater of the state's share of the composite index of local ability-to-pay or 50 percent. Participating school divisions must certify that no tuition is assessed to students for participation in this program if they are enrolled in a public school.

2) Out of the amounts for Governor's School Payments, $41,000 the first year and $41,000 the second year is provided to support the Hanover Regional Summer Governor's School for Career and Technical Advancement, which was established pursuant to Chapter 425, 2014 Acts of Assembly, and Chapter 665, 2015 Acts of Assembly.

c. For the Summer Governor's Schools and Foreign Language Academies programs, the Superintendent of Public Instruction is authorized to adjust the tuition rates, types of programs offered, length of programs, and the number of students enrolled in order to maintain costs within the available state and local funds for these programs.

d. It shall be the policy of the Commonwealth that state general fund appropriations not be used for capital outlay, structural improvements, renovations, or fixed equipment costs associated with initiation of existing or proposed Governor's schools. State general fund appropriations may be used for the purchase of instructional equipment for such schools, subject to certification by the Superintendent of Public Instruction that at least an equal amount of funds has been committed by participating school divisions to such purchases.

e. The Board of Education shall not take any action that would increase the state's share of costs associated with the Governor's Schools as set forth in this Item. This provision shall not prohibit the Department of Education from submitting requests for the increased costs of existing programs resulting from updates to student enrollment for school divisions currently participating in existing programs or for school divisions that begin participation in existing programs.

f.1) Regular school year Governor's Schools are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs for each student attending a Governor's School up to a cap of 1,800 students per Governor's School in the first year and a cap of 1,800 students per Governor's School in the second year. This incremental per pupil payment shall be adjusted for the composite index of the school division that counts such students attending an academic year Governor's School in their

March 31 Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the Governor's Schools for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the day that the student does not attend a Governor's School.

2) Students attending a revolving Academic Year Governor's School program for only one semester shall be counted as 0.50 of a full-time equivalent student and will be funded for only fifty percent of the full-year funded per pupil amount. Funding for students attending a revolving Academic Year program will be adjusted based upon actual September 30th and January 30th enrollment each fiscal year. For purposes of this Item, revolving programs shall mean Academic Year Governor's School programs that admit students on a semester basis.

3) Students attending a continuous, non-revolving Academic Year Governor's School program shall be counted as a full-time equivalent student and will be funded for the full-year funded per pupil amount. Funding for students attending a continuous, non-revolving Academic Year Governor's School program will be adjusted based upon actual September 30th student enrollment each fiscal year. For purposes of this Item, continuous, non-revolving programs shall mean Academic Year Governor's School programs that only admit students at the beginning of the school year. Fairfax County Public Schools shall not reduce local per pupil funding for the Thomas Jefferson Governor's School below the amounts appropriated for the 2003-2004 school year.

g. All regional Governor's Schools are encouraged to provide full-day grades 9 through 12 programs.

h. Out of the appropriation included in paragraph C. 39. of this Item, ~~$866,870~~ $857,382 the second year from the general fund is provided in the Academic Year Governor's School funding allocation to increase the per pupil amount the second year as an add-on for a compensation supplement payment equal to 3.0 percent of base pay on July 1, 2019, and for a compensation supplement payment of up to 2.0 percent of base pay on September 1, 2019, for Academic Year Governor's School instructional and support positions.

29. School Nutrition Payments

It is provided that, subject to implementation by the Superintendent of Public Instruction, no disbursement shall be made out of the appropriation for school nutrition to any locality in which the schools permit the sale of competitive foods in food service facilities or areas during the time of service of food funded pursuant to this Item.

30. School Breakfast Payments

a. Out of this appropriation, $6,287,789 the first year and ~~$7,439,888~~ $6,519,175 the second year from the Lottery Proceeds Fund is included to continue a state funded incentive program to maximize federal school nutrition revenues and increase student participation in the school breakfast program. These funds are available to any school division as a reimbursement for breakfast meals served that are in excess of the baseline established by the Department of Education. The per meal reimbursement shall be $0.22; however, the department is authorized, but not required to reduce this amount proportionately in the event that the actual number of meals to be reimbursed exceeds the number on which this appropriation is based so that this appropriation is not exceeded.

b. In order to receive these funds, school divisions must certify that these funds will be used to supplement existing funds provided by the local governing body and that local funds derived from sources that are not generated by the school nutrition programs have not been reduced or eliminated. The funds shall be used to improve student participation in the school breakfast program. These efforts may include, but are not limited to, reducing the per meal price paid by students, reducing competitive food sales in order to improve the quality of nutritional offerings in schools, increasing access to the school breakfast program, or providing programs to increase parent and student knowledge of good nutritional practices. In no event shall these funds be used to reduce local tax revenues below the level appropriated to school nutrition programs in the prior year. Further, these funds must be provided to the school nutrition programs and may not be used for any other school purpose.

c.1) Out of this appropriation, $1,074,000 the first year and $1,074,000 the second year from the general fund is provided to fund an After-the-Bell Model breakfast program available on a voluntary basis to elementary, middle, and high schools where student eligibility for free or reduced lunch exceeds 45.0 percent for the participating eligible school, and to provide additional reimbursement for eligible meals served in the current traditional school breakfast program at all grade levels in any participating school. The Department of Education is directed to ensure that only eligible schools receive reimbursement funding for participating in the After-the-Bell school breakfast model. The schools participating in the program shall evaluate the educational impact of the models implemented that provide school breakfasts to students after the first bell of the school day, based on the guidelines developed by the Department of Education and submit the required report to the Department of Education no later than August 31, 2019 for the 2018-2019 school year and no later than August 31, 2020 for the 2019-2020 school year.

2) The Department of Education shall communicate, through Superintendent's Memo, to school divisions the types of breakfast serving models and the criteria that will meet the requirements for this State reimbursement, which may include, but are not limited to, breakfast in the classroom, grab and go breakfast, or a breakfast after first period. School divisions may determine the breakfast serving model that best applies to its students, so long as it occurs after the instructional day has begun. For the 2018-2019 and 2019-2020 school years, the Department of Education shall monthly transfer to each school division a reimbursement rate of $0.05 per breakfast meal that meets either of the established criteria in elementary schools and a reimbursement rate of $0.10 per breakfast meal that meets either of the established criteria in middle or high schools.

3) No later than July 1, 2018 for the 2018-2019 school year and no later than July 1, 2019 for the 2019-2020 school year, the Department of Education shall provide for a breakfast program application process for school divisions with eligible schools, including guidelines regarding specified required data to be compiled from the prior school year or years and for the upcoming school year program. The number of approved applications shall be based on the estimated number of sites that can be accommodated within the approved funding level. The Department of Education shall set criteria for establishing priority should the number of applications from eligible schools exceed the approved funding level. The reporting requirements must include: chronic absenteeism rates, student attendance and tardy arrivals, office discipline referrals, student achievement measures, teachers' and administrators' responses to the impact of the program on student hunger, student attentiveness, and overall classroom learning environment before and after implementation, and the financial impact on the division's school food program. Funded schools that do not provide data by August 31 are subject to exclusion from funding in the following year. The Department of Education shall collect and compile the results of the breakfast program and shall submit the report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than November 1 following each school year.

31. Clinical Faculty and Mentor Teacher Program Payments

This appropriation includes $1,000,000 the first year and $1,000,000 the second year from the Lottery Proceeds Fund to be paid to local school divisions for statewide Mentor Teacher Programs to assist pre-service teachers and beginning teachers to make a successful transition into full-time teaching. This appropriation also includes $318,750 the first year and $318,750 the second year from the general fund for Clinical Faculty programs to assist pre-service teachers and beginning teachers to make a successful transition into full-time teaching. Such programs shall include elements which are consistent with the following:

a. An application process for localities and school/higher education partnerships that wish to participate in the programs;

b. For Clinical Faculty programs only, provisions for a local funding or institutional commitment of 50 percent, to match state grants of 50 percent;

c. Program plans which include a description of the criteria for selection of clinical faculty and mentor teachers, training, support, and compensation for clinical faculty and mentor teachers, collaboration between the school division and institutions of higher education, the clinical faculty and mentor teacher assignment process, and a process for evaluation of the programs;

d. The Department of Education shall allow flexibility to local school divisions and higher education institutions regarding compensation for clinical faculty and mentor teachers consistent with these elements of the programs; and

e. It is the intent of the General Assembly that no preference between pre-service or beginning teacher programs be construed by the language in this Item. School divisions operating beginning teacher mentor programs shall receive equal consideration for funding.

32. Career Switcher/Alternative Licensure Payments

Appropriations in this Item include $279,983 the first year and $279,983 the second year from the general fund to provide grants to school divisions that employ mentor teachers for new teachers entering the profession through the alternative route to licensure as prescribed by the Board of Education.

33. Virginia Workplace Readiness Skills Assessment

Appropriations in this Item include $308,655 the first year and $308,655 the second year from the general fund to provide support grants to school divisions for standard diploma graduates. To provide flexibility, school divisions may use the state grants for the actual assessment or for other industry certification preparation and testing.

34. Early Reading Specialists Initiative

a. An additional payment of $1,476,790 the first year and $1,476,790 the second year from the general fund shall be disbursed by the Department of Education to qualifying local school divisions for the purpose of providing a reading specialist for schools with a third grade that rank lowest statewide on the reading Standards of Learning (SOL) assessments.

b. These payments shall be based on the state's share of the cost of providing one reading specialist per qualifying school.

c. These payments are available to any school division with a qualifying school that (1) certifies to the Department of Education that the division has hired a reading specialist to provide direct services to children reading below grade level in the school to improve reading achievement and (2) applies and receives a waiver for up to two years from the Board of Education for the administration of third grade SOL assessments in science or history and social science or both for the purpose of creating additional instructional time for reading specialists to work with students reading below grade level to improve reading achievement.

d. These payments also are available to any school division with a qualifying school that certifies to the Department of Education that the division is supporting tuition for collegiate programs and instruction for currently employed instructional school personnel to earn the credentials necessary to meet licensure requirements to be endorsed as a reading specialist.

e. School divisions receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

f. Within the fiscal year, any funds not awarded from this program may be awarded to eligible schools under the Math/Reading Instructional Specialist Initiative.

35. Math/Reading Instructional Specialist Initiative

a. Included in this appropriation is $1,834,538 the first year and $1,834,538 the second year from the general fund in additional payments for reading or math instructional specialists at underperforming schools. From this amount, the state share of one reading or math specialist shall be provided to local school divisions with schools which rank lowest statewide on the Spring Standards of Learning (SOL) math or reading assessment. Funding for one math or reading specialist during the 2018-2020 biennium shall be based on the results of the Spring 2017 SOL assessments. Such schools shall be eligible to receive the state share of funding for both years of the biennium. If, following certification from a school division that it will not participate in the program, the Department is authorized to identify additional eligible schools based upon the list of schools that rank lowest on the Spring SOL math or reading assessment.

b. These payments are available to any school division with a qualifying school that certifies to the Department of Education that the division has (1) hired a math or reading instructional specialist, or (2) is supporting tuition for collegiate programs and instruction for currently employed instructional school personnel to earn the credentials necessary to meet licensure requirements to be endorsed as a math specialist or a reading specialist. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

c. The Department of Education is authorized to utilize available funding appropriated to the Early Reading Specialist Initiative contained in this Item to pay for instructional specialists at additional eligible schools, or to support tuition for collegiate programs and instruction for currently employed instructional school personnel at additional eligible schools to earn the credentials necessary to meet licensure requirements to be endorsed as an instructional specialist.

d. Within the fiscal year, any funds not awarded from this program may be awarded to eligible schools under the Early Reading Specialists Initiative.

36. Broadband Connectivity Capabilities

By November 1 each year, school divisions shall report to the Department of Education the status of broadband connectivity capability of schools in the division on a form to be provided by the Department. Such report shall include school-level information on the method of Internet service delivery, the level of bandwidth capacity and the degree such capacity is sufficient for delivery of school-wide digital resources and instruction, degree of internet connectivity via Wi-Fi, cost information related to Internet connectivity, data security, and such other pertinent information as determined by the Department of Education. The Department shall provide a summary of the division responses in a report to be made available on its agency Web site.

37. Supplemental Lottery Per Pupil Allocation Payments

a. Out of this appropriation, an amount estimated at $253,190,472 the first year and ~~$255,531,948~~ $255,533,690 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions to support the state share of an estimated $364.15 per pupil the first year and $367.44 $366.01 per pupil the second year in adjusted March 31 average daily membership. These per pupil amounts are subject to change for the purpose of payment to school divisions based on the actual March 31 ADM collected each year. No locality shall be required to maintain a per pupil expenditure each year from local funds which is greater than the per pupil amount expended by the locality for such purposes in the year upon which the 2016-18 biennial Standards of Quality expenditure data were based. In the second year, the Department of Education is authorized to temporarily suspend Supplemental

Lottery Per Pupil Allocation payments made to school divisions from Lottery funds to ensure that any shortfall in Lottery revenue can be accounted for in the remaining Supplemental Lottery Per Pupil Allocation payments to be made for the year.

b. Of the amounts listed above, school divisions are permitted to spend such funds on both recurring and nonrecurring expenses in a manner that best supports the needs of the schools divisions. No local match is required.

c. Any lottery funds provided to school divisions from this item that are unexpended as of June 30, 2019, and June 30, 2020, shall be carried on the books of the locality to be appropriated to the school division in the following year.

38. Special Education Endorsement Program

a. Notwithstanding § 22.1-290.02, Code of Virginia, out of this appropriation, $437,186 the first year and $437,186 the second year from the general fund is provided for traineeships and program operation grants that shall be awarded to public Virginia institutions of higher education to prepare persons who are employed in the public schools of Virginia, state operated programs, or regional special education centers as special educators with a provisional license and enrolled either part-time or full-time in programs for the education of children with disabilities. Applicants shall be graduates of a regionally accredited college or university.

b. The award of such grants shall be made by the Department of Education, and the number of awards during any one year shall depend upon the amounts appropriated by the General Assembly for this purpose. The amount awarded for each traineeship shall be $600 for a minimum of three semester hours of course work in areas required for the special education endorsement to be taken by the applicant during a single semester or summer session. Only one traineeship shall be awarded to a single applicant in a single semester or summer session.

39. Compensation Supplement

a.1) Out of this appropriation, ~~$130,305,448~~ $130,856,474 the second year from the general fund and ~~$432,516~~ $431,314 the second year from the Lottery Proceeds Fund is provided for the state share of a payment equivalent to a 3.0 percent salary incentive increase, effective July 1, 2019, for funded SOQ instructional and support positions. Funded SOQ instructional positions shall include the teacher, guidance counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division in the biennium. This amount includes ~~$556,869~~ $550,799 the second year from the general fund referenced in paragraph C. 28. h. for the Academic Year Governor's Schools for a 3.0 percent salary incentive increase, effective July 1, 2019, for instructional and support positions, and this amount includes ~~$432,516~~ $431,314 the second year from the Lottery Proceeds Fund referenced in paragraph C. 9. f. 4) for Regional Alternative Education Programs for a 3.0 percent salary incentive increase, effective July 1, 2019, for instructional and support positions.

2) It is the intent that the instructional and support position salaries be increased in school divisions throughout the state by at least an average of 3.0 percent during the 2018-2020 biennium. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of a 3.0 percent salary increase for funded SOQ instructional and support positions, effective July 1, 2019, to school divisions which certify to the Department of Education, by June 1, 2019, that salary increases of a minimum average of 3.0 percent have been or will have been provided during the 2018-2020 biennium, either in the first year or in the second year or through a combination of the two years, to instructional and support personnel.

b.1) In addition to the compensation provisions in paragraphs C. 39. a.1) and 2), the appropriation in this item includes ~~$72,536,713~~ $70,677,789 the second year from the general fund and ~~$240,697~~ $240,025 the second year from the Lottery Proceeds Fund for the state share of a payment equivalent to a separate 2.0 percent salary incentive increase, effective September 1, 2019, for funded SOQ instructional and support positions. Funded SOQ instructional positions shall include the teacher, guidance counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division in the biennium. This amount includes ~~$310,001~~ $306,583 the second year from the general fund referenced in paragraph C. 28. h. for the Academic Year Governor's Schools for a separate 2.0 percent salary incentive increase, effective September 1, 2019, for instructional and support positions, and this amount includes the ~~$240,697~~ $240,025 second year from the Lottery Proceeds Fund referenced in paragraph C. 9. f. 4) for Regional Alternative Education Programs for a separate 2.0 percent salary incentive increase, effective September 1, 2019, for instructional and support positions.

2) It is the intent that the instructional and support position salaries be increased in school divisions throughout the state by at least an average of 2.0 percent during the second year, on or before September 1, 2019. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of a 2.0 percent salary increase for funded SOQ instructional and support positions, effective September 1, 2019, to school divisions which certify to the Department of Education, by June 1, 2019, that separate salary increases of a minimum average of 2.0 percent will have been provided in the second year to instructional and support personnel on or before September 1, 2019. For any school division that meets the qualifications for the 3.0 percent Compensation Supplement pursuant to paragraph C.39.a.1) and 2), the separate 2.0 percent salary increase required in the second year by September 1, 2019, must be in addition to the salary increases that made them eligible for the 3.0 percent Compensation Supplement effective July 1, 2019.

3) In order to be eligible to receive the state's share of up to a separate 2.0 percent salary increase in the second year, school divisions must provide up to a 2.0 percent salary increase in the second year effective by September 1, 2019, to instructional and support personnel. School divisions that provide a salary increase in the second year by September 1, 2019, that is less than 2.0 percent shall have the state share of the 2.0 percent Compensation Supplement payment reduced to the same percentage of the actual local salary increase provided. Any salary increase provided by a school division in the first year that was in excess of 3.0 percent prescribed in paragraphs C. 39. a.l) and 2), shall not count toward or be applied toward the local requirements for any portion of the separate 2.0 percent salary increase provided for in the second year. For any school division that is not able to provide a 3.0 percent salary increase over the biennium, such school division would be eligible to receive the state share of funding for up to a 2.0 percent salary increase in the second year for local salary increases provided in the second year by September 1, 2019.

c. In the second year, school divisions are eligible to receive the state's share of funding for up to a total of 5.0 percent salary increase for SOQ-funded instructional and support positions. First, school divisions are eligible to receive the state's share of funding for a 3.0 percent Compensation Supplement, effective July 1, 2019, to school divisions which certify to the Department of Education, by June 1, 2019, that salary increases of a minimum average of 3.0 percent have been or will have been provided during the 2018-2020 biennium, either in the first year or in the second year or through a combination of the two years, to instructional and support personnel. Second, school divisions are eligible to receive the state's share of funding for up to a separate 2.0 percent Compensation Supplement, effective September 1, 2019, to school divisions which certify to the Department of Education, by June 1, 2019, that salary increases of up to 2.0 percent will be provided in the second year by September 1, 2019, to instructional and support personnel. The 2.0 percent Compensation Supplement may be in addition to or in lieu of the 3.0 percent Compensation Supplement.

d. This funding is not intended as a mandate to increase salaries.

40. Small School Division Enrollment Loss Payments

Out of this appropriation, $6,112,706 the first year from the general fund is allocated to eligible school divisions that have realized and reported to the Department of Education a total of a five percent or more decline in average daily membership from March 31, 2013, to March 31, 2018, with a minimum dollar amount for such eligible school divisions of $75,000. Such eligible school divisions shall receive an apportioned allocation as specified below:

DIVISION NAME	FY 2019
ALLEGHANY	$277,068
AMHERST	$159,179
BATH	$75,000
BEDFORD	$343,221
BLAND	$93,254
BOTETOURT	$147,129
BRUNSWICK	$155,111
BUCHANAN	$209,987
CARROLL	$288,674
CHARLES CITY	$75,000
CHARLOTTE	$91,755
CLARKE	$75,000
CRAIG	$75,000
CUMBERLAND	$75,000
DICKENSON	$157,259
DINWIDDIE	$119,359
ESSEX	$80,965
GRAYSON	$142,166
GREENSVILLE	$86,726
HALIFAX	$299,314
KING & QUEEN	$75,000
LANCASTER	$75,000
MADISON	$75,000
MATHEWS	$75,000
MECKLENBURG	$183,246
NELSON	$75,000
NORTHUMBERLAND	$75,000
NOTTOWAY	$114,243
PRINCE EDWARD	$98,625
PULASKI	$168,097
RAPPAHANNOCK	$75,000
RUSSELL	$256,057
SCOTT	$136,340
SMYTH	$241,110
SURRY	$75,000
SUSSEX	$75,000
TAZEWELL	$342,700
WYTHE	$108,477
BUENA VISTA	$75,000
DANVILLE	$260,493
MARTINSVILLE	$131,417
NORTON	$75,000
PETERSBURG	$145,734

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
FRANKLIN CITY TOTAL				$75,000
TOTAL				**$6,112,706**

41. Virginia Preschool Initiative Plus

Out of this appropriation, ~~$6,139,559~~ $2,458,384 the second year from the general fund is provided to sustain approximately 1,530 student slots of high quality preschool for at risk four year olds within the 13 divisions that participate in the federally-funded Preschool Development Grant program known as Virginia Preschool Initiative Plus. These school divisions shall be responsible for ensuring that all such slots meet expectations set forth in the Department of Education's November 2018 Plan to Ensure High-Quality Instruction in All Virginia Preschool Initiative Classrooms, submitted to the General Assembly pursuant to paragraph C.14.J. of this Item. In fiscal year 2020, a local match based on a local composite index match of 0.4000, or a local match based on the division's actual composite index of local ability-to-pay if that is lower than 0.4000, is required. Beginning in fiscal year 2021, a local match based on a local composite index match of 0.5000, or a local match based on the division's actual composite index of local ability-to-pay if that is lower than 0.5000, is required.

	Item Details($)		Appropriations($	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
137. Not set out.				
Total for Direct Aid to Public Education.....			$8,071,986,332	~~$8,351,607,378~~

				$8,376,165,828
Fund Sources:				
General	$6,258,717,882	~~$6,516,907,074~~ $6,556,846,161		
Special	$895,000	$895,000		
Commonwealth Transportation	$2,100,000	$2,100,000		
Trust and Agency	$743,748,217	~~$765,180,071~~ $749,799,434		
Federal Trust	$1,066,525,233	$1,066,525,233		
Grand Total for Department of Education, Central Office Operations			**$8,180,651,500**	~~**$8,472,745,909**~~ $8,497,304,359
General Fund Positions	144.00	149.00		
Nongeneral Fund Positions	185.50	185.50		
Position Level	329.50	334.50		
Fund Sources:				
General	$6,320,665,069	~~$6,581,426,676~~ $6,621,365,763		
Special	$6,054,353	$6,054,353		
Commonwealth Transportation	$2,370,419	$2,370,419		
Trust and Agency	$744,427,780	~~$765,859,634~~ $750,478,997		
Federal Trust	$1,107,133,879	$1,117,034,827		

138. Not set out.
139. Not set out.
140. Not set out.
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184.10 Not set out.
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188. Not set out.
189. Not set out.
190. Not set out.
191. Not set out.
192. Not set out.

§ 1-12. UNIVERSITY OF VIRGINIA (207)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
193. Not set out.				
194. Not set out.				
195. Financial Assistance For Educational and General Services (11000).....			$537,856,736	~~$537,356,736~~ $577,028,122
Sponsored Programs (11004).....	$537,856,736	~~$537,356,736~~ $577,028,122		
Fund Sources: General.....	$10,469,379	$9,969,379		
Higher Education Operating.....	$504,577,357	~~$504,577,357~~ $544,248,743		
Debt Service.....	$22,810,000	$22,810,000		

Authority: Title 23.1, Chapter22, Code of Virginia.

A. Out of this appropriation, $1,744,245 the first year and $1,744,245 the second year from the general fund and $14,350,000 the first year and $14,350,000 the second year from nongeneral funds are designated to build research capacity in the areas of bioengineering and biosciences.

B. Out of this appropriation, $4,162,634 the first year and $4,162,634 the second year from the general fund is designated for the support of cancer research.

C. Out of this appropriation, $3,612,500 the first year and $3,112,500 the second year from the general fund is designated for support of the Focused Ultrasound Center to support core programs and research activities.

D. Out of this appropriation, $950,000 the first year and $950,000 the second year from the general fund is designated to support the creation of the UVA Economic Development Accelerator.

E. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
196. Not set out.				
Total for University of Virginia.....			**$1,634,907,864**	**~~$1,637,828,557~~ $1,677,499,943**
General Fund Positions.....	1,084.63	1,084.63		
Nongeneral Fund Positions.....	5,951.17	$5,951.17		
Position Level.....	7,035.80	7,035.80		
Fund Sources: General.....	$150,498,551	$153,419,244		
Higher Education Operating.....	$1,436,861,313	~~$1,436,861,313~~ $1,476,532,699		
Debt Service.....	$47,548,000	$47,548,000		

197. Not set out.
198. Not set out.
199. Not set out.
200. Not set out.
201. Not set out.
202. Not set out.
203. Not set out.

Grand Total for University of Virginia.....		**$3,556,225,826 ~~$3,676,029,490~~ $3,715,700,876**
General Fund Positions.....	1,249.89	1,256.09
Nongeneral Fund Positions.....	13,281.83	13,600.63
Position Level.....	14,531.72	14,856.72
Fund Sources: General.....	$169,833,620	$176,941,809
Higher Education Operating.....	$3,318,207,741	~~$3,430,903,216~~ $3,470,574,602
Debt Service.....	$68,184,465	$68,184,465

204. Not set out.
205. Not set out.
206. Not set out.
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225. Not set out.
226. Not set out.

§ 1-13. VIRGINIA STATE UNIVERSITY (212)

	Item Details($)		**Appropriations($)**	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
227. Educational and General Programs (10000).....			$72,863,678	$73,902,030
Higher Education Instruction (100101).....	$40,138,349	$41,376,809		
Higher Education Research (100102).....	$2,118,047	$2,118,047		
Higher Education Public Services (100103).....	$120,448	$120,448		
Higher Education Academic (100104).....	$5,752,949	$5,752,949		
Higher Education Student Services (100105).....	$4,387,836	$4,387,836		
Higher Education Institutional Support (100106)	$13,166,931	$12,891,823		
Operation and Maintenance Of Plant (100107)	$7,179,118	$7,254,118		
Fund Sources: General.....	$36,206,980	$37,020,868		
Higher Education Operating.....	$36,656,698	$36,881,162		

Authority: Title 23.1, Chapter 27, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B.1. Out of this appropriation, $3,790,639 the first year and $3,790,639 the second year from the general fund is designated for continued enhancement of the existing Bachelor of Science academic programs in Computer Science, Manufacturing Engineering, Computer Engineering, Mass Communications and Criminal Justice, and the doctoral program in Education.

2. Out of this appropriation, $37,500 the first year and $37,500 the second year from the general fund is provided to serve in lieu of endowment income for the Eminent Scholars Program.

3. Any unexpended balances in paragraphs B.1. and B.2. in this Item at the close of business on June 30, 2018 and June 30, 2019, shall not revert to the surplus of the general fund but shall be carried forward on the books of the State Comptroller and reappropriated in the succeeding year.

C. This appropriation includes $200,000 the first year and $200,000 the second year from the general fund to increase the number of faculty with terminal degrees to at least 85 percent of the total teaching faculty.

D. Out of this appropriation, Virginia State University is authorized to use up to $600,000 the first year and $600,000 the second year from the general fund to address extremely critical deferred maintenance deficiencies in its facilities, including residence halls and dining facilities.

E. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

F. Out of this appropriation, $1,300,000 the first year and $1,300,000 the second year from the general fund is designated to support the Manufacturing Engineering and Logistics Technology program.

G. Out of this appropriation, $104,792 the first year and $104,022 the second year from the general fund is designated for debt service costs under the Master Equipment Lease Program (MELP) for upgrades to the university's police radio system. In addition to these amounts, $154,451 the first year from the general fund is designated to support training and software costs.

H. Out of this appropriation, $324,140 the first year and $321,757 the second year from the general fund is designated to support debt service costs under the Master Equipment Lease Program (MELP) to improve the university's information technology network. In addition to these amounts, $412,923 the first year and $295,419 the second year from the general fund is designated to support training and software costs.

I. 1. Out of this appropriation, $480,710 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-I AI completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (42);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Virginia State University is expected to increase:

a. Data Science and Technology awards by 5 in the second year.

b. Science and Engineering awards by 5 in the second year.

c. Education awards by 5 in the second year.

d. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairman of the House Appropriations and Senate Finance Committees report on the progress toward these goals annually beginning August 2020.

I. Out of this appropriation, an amount estimated at $299,286 from the general fund and $224,464 from nongeneral funds in the second year are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

J. Of the $234,000 appropriated for agriculture education positions, the university has the ability as of January 1, 2020 to utilize some of the funding for developing key aspects of the agriculture education program.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
228. Not set out.				
229. Not set out.				
230. Not set out.				
Total for Virginia State University.....			**$166,282,300**	**$168,052,214**
General Fund Positions.....	323.47	329.47		
Nongeneral Fund Positions.....	486.89	489.89		
Position Level.....	810.36	819.36		
Fund Sources: General.....	$44,982,297	$46,527,747		
Higher Education Operating.....	$110,967,458	$111,191,922		
Debt Service.....	$10,332,545	$10,332,545		

231. Not set out.				
Grand Total for Virginia State University.....			**$178,513,956**	**$180,283,870**
General Fund Positions.....	355.22	361.22		
Nongeneral Fund Positions.....	553.89	556.89		
Position Level.....	909.11	918.11		
Fund Sources: General.....	$50,572,637	$52,118,087		
Higher Education Operating.....	$117,608,774	$117,833,238		
Debt Service.....	$10,332,545	$10,332,545		
232. Not set out.				
233. Not set out.				

§ 1-14. JAMESTOWN-YORKTOWN FOUNDATION (425)

	Item Details($)		Appropriations($)	
	First Year	**Second Year**	**First Year**	**Second Year**
	FY2019	**FY2020**	**FY2019**	**FY2020**
234. Museum and Cultural Services (14500).....			$18,918,251	$18,959,884
Collections Management and Curatorial Services (14501).....	$684,141	$684,141		
Education and Extension Services (14503).....	$7,858,030	$7,375,205		
Operational and Support Services (14507).....	$10,376,080	$10,900,538		
Fund Sources: General.....	$10,305,275	$10,346,908		
Special.....	$8,612,976	$8,612,976		

Authority: Title 23.1, Chapter 32, Article 4, Code of Virginia.

A. Out of the amounts for Operational and Support Services, the Director is authorized to expend from special funds amounts not to exceed $3,500 the first year and $3,500 the second year for entertainment expenses commonly borne by businesses. Such expenses shall be recorded separately by the agency.

B. With the prior written approval of the Director, Department of Planning and Budget, nongeneral fund revenues which are unexpended by the end of the fiscal year may be paid to the Jamestown-Yorktown Foundation, Inc. for the specific purposes determined by the Board of Trustees in support of Foundation programs.

C. It is the intent of the General Assembly that the Jamestown-Yorktown Foundation be authorized to fill all positions authorized in this act and all part-time (wage) positions funded in this act, notwithstanding § 4-7.01 of this act.

D. Out of the appropriation for this Item, $54,777 the first year and $54,777 the second year from the general fund is included for the purchase of museum electronic security equipment through the state's master equipment lease program.

E. Out of this appropriation, $50,000 the second year from the general fund is provided to complete the three-part statue installation at the Williamsburg James City County Courthouse that was begun in 2008, with Native American leader Chief Powhatan, Captain Gosnold in 2016, and the final statue will commemorate Africans brought to the colony; and $25,000 the second year from the general fund is provided to the African American Cultural Center of Virginia Beach for the Hampton Roads African American Evolution Performance Series.

	Item Details($)		Appropriations($)	
	First Year	**Second Year**	**First Year**	**Second Year**
	FY2019	**FY2020**	**FY2019**	**FY2020**
Total for Jamestown-Yorktown Foundation.....			**$18,918,251**	**$18,959,884**
General Fund Positions.....	108.00	111.00		
Nongeneral Fund Positions.....	63.00	63.00		
Position Level.....	171.00	174.00		
Fund Sources: General.....	$10,305,275	$10,346,908		
Special.....	$8,612,976	$8,612,976		
235. Not set out.				
Grand Total for Jamestown-Yorktown Foundation..			**$25,419,668**	**$25,461,301**
General Fund Positions.....	117.00	120.00		
Nongeneral Fund Positions.....	63.00	63.00		
Position Level.....	180.00	183.00		
Fund Sources: General.....	$16,806,692	$16,848,325		
Special.....	$8,612,976	$8,612,976		

236. Not set out.
237. Not set out.
238. Not set out.
239. Not set out.
240. Not set out.

§ 1-15. VIRGINIA COMMISSION FOR THE ARTS (148)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
241. Not set out.				
242. Museum and Cultural Services (14500).....			$639,358	~~$639,358~~ $657,358
Operational and Support Services (14507).....	$639,358	~~$639,358~~ $657,358		
Fund Sources:				
General.....	$551,901	~~$551,901~~ $569,901		
Federal Trust.....	$87,457	$87,457		

Authority: Title 2.2, Chapter 25, Article 4, Code of Virginia.

	Item Details($)		Appropriations(	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Virginia Commission for the Arts.....			**$4,520,270**	**~~$4,645,270~~ $4,663,270**
General Fund Positions.....	5.00	5.00		
Position Level.....	5.00	5.00		
Fund Sources:				
General.....	$3,712,138	~~$3,837,138~~ $3,855,138		
Federal Trust.....	$808,132	$808,132		
243. Not set out.				
244. Not set out.				
245. Not set out.				
246. Not set out.				
247. Not set out.				
248. Not set out.				
249. Not set out.				
250. Not set out.				
251. Not set out.				
252. Not set out.				
253. Not set out.				
253.50 Not set out.				
254. Not set out.				
TOTAL FOR OFFICE OF EDUCATION.....			**$19,694,441,528**	**~~$20,311,401,67~~ $20,375,649,50**
General Fund Positions.....	18,611.91	18,689.43		
Nongeneral Fund Positions.....	41,932.61	41,932.54		
Position Level.....	60,046.52	60,621.97		
Fund Sources:				
General.....	$8,429,422,630	~~$8,855,436,148~~ $8,895,393,235		
Special.....	$47,520,936	$47,627,394		
Higher Education Operating.....	$8,980,315,840	~~$9,139,823,205~~ $9,179,494,591		
Commonwealth Transportation.....	$2,370,419	$2,370,419		
Enterprise.....	$7,479,910	$7,479,910		
Trust and Agency.....	$744,617,780	~~$766,049,634~~ $750,668,997		
Debt Service.....	$344,923,009	$344,923,009		
Dedicated Special Revenue.....	$17,927,512	$17,927,512		
Federal Trust.....	$1,119,863,492	$1,129,764,440		

OFFICE OF FINANCE

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
255. Not set out.				

§ 1-16. DEPARTMENT OF ACCOUNTS (151)

	Item Details($)		Appropriations(	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
256. Not set out.				
257. Not set out.				
258. Not set out.				
259. Information Systems Management and Direction (71100).....			$24,428,730	$25,105,962
Financial Oversight for Performance Budgeting System (71107).....	$2,660,587	$2,684,775		
Financial Oversight for Cardinal System (71108).....	$21,768,143	$22,421,187		
Fund Sources: Internal Service.....	$24,428,730	$25,105,962		

Authority: Title 2.2 Chapter 8, Code of Virginia

A. The appropriation for Financial Oversight for Performance Budgeting System and Financial Oversight for Cardinal System is sum sufficient and amounts shown are estimates from internal service funds for the Commonwealth's enterprise applications which shall be paid solely from revenues derived from charges for services. All users of the Commonwealth's enterprise applications shall be assessed a surcharge based on licenses, transactions, or other meaningful methodology as determined by the Secretary of Finance and the owner of the enterprise application, which shall be deposited in the fund. Additionally, the State Comptroller shall recover the cost of services provided for the administration of the fund through interagency transactions as determined by the State Comptroller.

1. Out of this appropriation, the Performance Budgeting System is appropriated $2,660,587 the first year and $2,684,775 the second year from internal service fund revenues.

2. Out of this appropriation, the Cardinal Financial System is appropriated $21,768,143 the first year and $22,421,187 the second year from internal service fund revenues.

4. The State Comptroller shall submit revised projections of revenues and expenditures for the internal service funds for the Commonwealth's enterprise applications and estimates of any anticipated changes to fee schedules in accordance with § 4-5.03 of this act.

5. In the event that expenses of the enterprise applications become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the funds.

B.1.a. The Department of Accounts, in coordination with the Department of Human Resource Management shall replace the Commonwealth Integrated Payroll/Personnel System (CIPPS) and the Personnel Management Information System and the Benefits Eligibility System (PMIS & BES) with an integrated Human Capital Management (HCM) system. In order to maximize the efficiencies and benefits of the current Commonwealth Enterprise Resource Planning system, Cardinal, along with establishing a single source of personnel and payroll information and to achieve greater security of sensitive personally identifiable information, such system shall be based on the HCM modules within the Cardinal Enterprise Resource Planning application currently serving as the Commonwealth's financial system.

b. A working capital advance of up to ~~$82,400,000~~ $131,820,000 shall be provided to the Department of Accounts to pay the initial costs of replacing CIPPS and PMIS & BES. ~~Initial costs~~ This may include any costs necessary for the planning, development, configuration, and roll-out of the new HCM application. ~~Initial~~ These costs do not include costs necessary to ensure agencies are prepared for the implementation of the new application and the decommissioning of CIPPS and PMIS & BES such as interfaces from agency based systems. The State Comptroller shall provide the Governor and the Chairmen of the House Appropriations and Senate Finance Committees with the total projected project implementation cost by September 1, 2019.

c. The Department of Accounts and the Department of Human Resource Management shall recommend to the Governor a permanent system of governance over the new HCM application, which shall designate specifically which agencies have the responsibility for authority and control of the data in the new HCM application as well as responsibility for systems support and maintenance.

2. The Secretary of Finance and Secretary of Administration shall approve the drawdowns from this working capital advance prior to the expenditure of funds. The State Comptroller shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance Committees of any approved drawdowns.

3. Repayment of the working capital advance and ongoing systems operation, maintenance and support costs for the statewide Human Capital Management system shall be funded through an internal service fund for the enterprise application pursuant to paragraph A. of this Item.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
260. Not set out.				
261. Not set out.				
262. Not set out.				
263. Not set out.				

Total for Department of Accounts			**$41,597,149**	**$42,354,357**
General Fund Positions.....	115.00	115.00		
Nongeneral Fund Positions.....	54.00	54.00		
Position Level.....	169.00	169.00		
Fund Sources: General.....	$13,493,096	$13,493,096		
Special.....	$992,820	$992,820		
Internal Service.....	$27,111,233	$27,868,441		

Department of Accounts Transfer Payments (162)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
264. Not set out.				
265. Revenue Stabilization Fund (73500).....			$0	~~$360,458,731~~ $262,941,731
Payments to the Revenue Stabilization Fund (73501).....	$0	~~$360,458,731~~ $262,941,731		
Fund Sources: General.....	$0	~~$360,458,731~~ $262,941,731		

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

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

B. Out of this appropriation, $262,941,731 the second year from the general fund attributable to actual tax collections for fiscal year 2018 shall be paid by the State Comptroller on or before June 30, 2020, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia. This amount is based on the certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2018. This appropriation meets the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

~~C. Out of this appropriation, $97,517,000 the second year from the general fund shall be paid by the State Comptroller on or before June 30, 2020, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia. This amount represents an estimate of the required deposit to the Revenue Stabilization Fund attributable to tax collections for fiscal year 2020, which the Auditor of Public Accounts shall determine for the year ending June 30, 2020.~~

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
266. Revenue Cash Reserve (23700).....			$342,727,895	~~$222,783,000~~ $0
Appropriated Revenue Reserve (23701).....	$342,727,895	~~$222,783,000~~ $0		
Fund Sources: General.....	$342,727,895	~~$222,783,000~~ $0		

Authority: Title 2.2, Chapter 18, Article 4.1, Code of Virginia.

A. ~~1.~~ Notwithstanding any contrary provision of law, there is hereby appropriated in this item $342,727,895 from the general fund the first year ~~and $222,783,000 from the general fund the second year~~ to the Revenue Reserve established pursuant to § 2.2-1831.2, Code of Virginia~~, to mitigate any potential revenue of transfer shortfalls that may arise during the biennium~~.

~~2. The Department of Taxation shall certify the revenues generated pursuant to subdivision B.5. of § 58.1-301, Code of Virginia. An amount equal to any revenues in excess of those included in this act and appropriated hi this item, estimated at $107,500,000, shall be deposited into the Revenue Reserve Fund and, notwithstanding the provisions of § 2.2-1831.4, Code of Virginia, if appropriated, may be used to effectuate future tax reform options for the citizens of the Commonwealth in accordance with the fifth enactment of Chapters 17 and 18, 2019 Session of the General Assembly. Nothing in this item shall be construed to require the appropriation of such funds prior to the use of other funds in the Revenue Reserve Fund pursuant to § 2.2-1831.4, Code of Virginia."~~

B.1. Notwithstanding any contrary provision of law, the Governor shall appropriate to the Revenue Reserve any sums that are committed by the Comptroller for that purpose on his June 30, 2018 balance sheet and that are reported by the Governor to the General Assembly as part of the preliminary annual balance sheet and that are reported by the Governor to the General Assembly as part of the preliminary annual report.

2. Any calculation made pursuant to the provisions of § 2.2-1831.2, Code of Virginia, by the Auditor of Public Accounts based on general fund resources collected in fiscal year 2019 shall be committed for deposit into the Fund established pursuant to § 2.2-1831.2, Code of Virginia, in fiscal year 2021.

C. Any amounts appropriated in this item that are unexpended on June 30, 2019, or June 30, 2020, shall be reappropriated in the next fiscal year to this reserve to be used for the same purposes identified in this item.

	Item Details($)		Appropriations($	

	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
267. Not set out.				
268. Not set out.				
269. Not set out.				
270. Not set out.				
Total for Department of Accounts Transfer Payments			**$1,899,553,820**	~~**$2,168,098,691**~~ **$1,847,798,691**
Nongeneral Fund Positions	1.00	1.00		
Position Level	1.00	1.00		
Fund Sources: General	$1,341,622,895	~~$1,582,136,731~~ $1,261,836,731		
Trust and Agency	$79,381,054	$79,381,054		
Dedicated Special Revenue	$478,549,871	$506,580,906		
Grand Total for Department of Accounts			**$1,941,150,969**	~~**$2,210,453,048**~~ **$1,890,153,048**
General Fund Positions	115.00	115.00		
Nongeneral Fund Positions	55.00	55.00		
Position Level	170.00	170.00		
Fund Sources: General	$1,355,115,991	~~$1,595,629,827~~ $1,275,329,827		
Special	$992,820	$992,820		
Internal Service	$27,111,233	$27,868,441		
Trust and Agency	$79,381,054	$79,381,054		
Dedicated Special Revenue	$478,549,871	$506,580,906		
271. Not set out.				
272. Not set out.				
273. Not set out.				
274. Not set out.				
275. Not set out.				
276. Not set out.				
277. Not set out.				
278. Not set out.				

§ 1-17. TREASURY BOARD (155)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
279. Bond and Loan Retirement and Redemption (74300)			$782,931,935	~~$824,795,771~~ $811,851,461
Debt Service Payments on General Obligation Bonds (74301)	$67,029,003	~~$64,791,313~~ $61,518,389		
Capital Lease Payments (74302)	$5,490,800	$5,497,550		
Debt Service Payments on Public Building Authority Bonds (74303)	$262,613,033	~~$280,424,780~~ $277,050,650		
Debt Service Payments on College Building Authority Bonds (74304)	$447,799,099	~~$474,082,128~~ $467,784,872		
Fund Sources: General	$735,190,499	~~$776,432,307~~ $764,913,338		
Higher Education Operating	$30,011,174	$31,526,576		
Dedicated Special Revenue	$645,000	$645,000		
Federal Trust	$17,085,262	~~$16,191,888~~ $14,766,547		

Authority: Title 2.2, Chapter 18, Code of Virginia; Article X, Section 9, Constitution of Virginia.

A. The Director, Department of Planning and Budget is authorized to transfer appropriations between Items in the Treasury Board to address legislation affecting the Treasury Board passed by the General Assembly.

B.1. Out of the amounts for Debt Service Payments on General Obligation Bonds, the following amounts are hereby appropriated from the general fund for debt service on general obligation bonds issued pursuant to Article X, Section 9 (b), of the Constitution of Virginia:

Series	FY 2019		FY 2020	
	General Fund	Federal Funds	General Fund	Federal Funds
2009A	$4,063,500	$0	$0	$0

2009B	$3,128,651	$411,196	~~$3,074,467~~ $0	~~$379,328~~ $0
2009D Refunding	$23,824,751	$0	~~$22,811,750~~ $0	$0
2012 Refunding	$4,322,450	$0	$4,229,200	$0
2013 Refunding	$15,388,750	$0	$14,977,250	$0
2015B Refunding	$13,977,350	$0	$13,549,350	$0
2016B Refunding	$1,821,450	$0	$5,681,450	$0
2019B Refunding			$21,453,981	$0
2019C Refunding			$1,547,158	$0
Projected debt service & expenses	$90,905	$0	~~$88,518~~ $80,000	$0
Total Service Area	**$66,617,807**	**$411,196**	**~~$64,411,085~~ $61,518,389**	$0

2. Out of the amounts for Debt Service Payments on General Obligation Bonds, sums needed to fund issuance costs and other expenses are hereby appropriated.

C. Out of the amounts for Capital Lease Payments, the following amounts are hereby appropriated for capital lease payments:

	FY 2019	**FY 2020**
Norfolk RHA (VCCS-TCC), Series 1995	$738,300	$739,800
Virginia Biotech Research Park, 2009	$4,752,500	$4,757,750
Total Capital Lease Payments	**$5,490,800**	**$5,497,550**

D.1. Out of the amounts for Debt Service Payments on Virginia Public Building Authority Bonds shall be paid to the Virginia Public Building Authority the following amounts for use by the authority for its various bond issues:

Series	**FY 2019**		**FY 2020**	
	General Fund	**Nongeneral Fund**	**General Fund**	**Nongeneral Fund**
2005D	$2,000,000	$0	$2,000,000	$0
2008B	$7,119,950	$0	$0	$0
2009A	$4,683,024	$0	$4,682,412	$0
2009B	$10,204,500	$0	$10,203,875	$0
2009B STARS	$6,584,000	$0	$6,585,625	$0
2009C	$1,089,190	$0	$1,087,554	$0
2009D	$6,248,100	$0	$6,241,975	$0
2010A	$21,877,801	$4,026,508	$21,861,364	~~$3,799,581~~ $3,799,580
2010B	$30,091,167	$3,401,511	$30,320,659	~~$3,310,439~~ $3,310,440
2011A STARS	$631,000	$0	$628,875	$0
2011A	$12,909,500	$0	$12,908,625	$0
2011B	$1,298,749	$0	$1,299,224	$0
2012 A Refunding	$6,559,225	$0	$6,556,225	$0
2013A	$8,823,275	$0	$8,821,650	$0
2013B	$3,478,000	$0	$17,247,000	$0
2014A	$8,482,025	$645,000	$8,479,775	$645,000
2014B	$2,012,760	$0	$2,011,353	$0
2014C Refunding	$39,593,775	$0	$25,880,150	$0
2015A	$17,344,496	$0	~~$17,339,996~~ $17,339,995	$0
2015B Refunding	$14,845,275	$0	$16,603,650	$0
2016A	$14,385,550	$0	$14,385,300	$0
2016B Refunding	$8,773,400	$0	$8,773,400	$0
2016C	$11,659,375	$0	$11,657,250	$0
2016D	$906,902	$0	$903,732	$0
2017A	$6,722,850	$0	$6,722,850	$0
2018A	$5,097,794	$0	$11,745,719	$0
2018B	$475,366	$0	$1,233,790	$0
2019A			$6,801,005	$0
2019B			$5,174,279	$0
2019C			$532,845	$0
Projected debt service and expenses	$642,965	$0	~~$16,487,732~~ $605,474	$0
Total Service Area	**$254,540,014**	**$8,073,019**	**~~$272,669,760~~ $269,295,630**	**$7,755,020**

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 Board of Corrections and other interest costs as provided in §§ 53.1-80 through 53.1-82.2 of the Code of Virginia, for the following:

Project	**Commonwealth Share of Approved Capital Costs**
Prince William - Manassas Regional Jail	$21,032,421

Henry County Jail	$18,759,878
Chesapeake City Jail	$6,860,886
Piedmont Regional Jail	$2,139,464
Rockbridge Regional Jail	$103,693
Prince William - Manassas Adult Detention Center	$49,643
Northwestern Regional Jail Authority	$1,198,915
Southside Regional Jail Authority	$138,465
Total Approved Capital Costs	**$50,283,365**

b. The Commonwealth's share of the total construction cost of the projects listed in the table in paragraph D.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.

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.

E.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:

Series	**FY 2019**	**FY 2020**
2008A	$4,966,500	$0
2009A&B	$14,459,700	$0
2009E Refunding	$26,975,050	$26,976,000
2009F	$37,693,761	~~$37,353,111~~ $30,276,058
2010B	$27,673,519	$27,471,289
2011 A	$10,727,000	$10,727,750
2012A	$16,248,450	$16,247,950
2012B	$21,481,850	$21,478,850
2013 A	$16,815,919	~~$15,872,969~~ $16,818,419
2014A	$16,972,150	$16,974,150
2014B	$1,328,400	$1,387,150
2015A	$16,398,550	$25,175,700
2015B Refunding	$7,285,433	$12,255,054
2015C	$1,479,354	$1,484,260
2015D	$22,496,035	$13,711,535
2016A	$19,476,600	$19,469,100
2016B Refunding	$1,972,000	$1,972,000
2016C	$4,428,839	$4,433,139
2017B	$21,184,500	$19,851,250
2017C	$31,464,500	$31,466,500
2017D	$11,318,714	$11,316,514
2017E	$31,960,000	$41,448,500
2019A		$31,123,368
2019B		$843,190
2019C		$6,347,165
Projected 21st Century debt service & expenses	$717,501	~~$38,328,915~~ $592,477
Subtotal 21st Century	**$365,524,325**	**~~$395,401,686~~ $389,847,369**

2. 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 the payment of debt service on authorized bond issues to finance equipment:

Series	**FY 2019**	**FY 2020**
2011A	$8,536,500	$0
2012A	$8,363,250	$0
2013A	$9,451,750	$9,448,500
2014A	$9,660,250	$9,658,000
2015A	$10,483,250	$10,482,000
2016A	$11,065,500	$11,067,000
2017A	$11,849,000	$11,853,750
2018	$12,865,274	$12,864,500
2019A		$12,563,753
Projected debt service & expenses	$0	~~$13,306,692~~ $0
Subtotal Equipment	$82,274,774	~~$78,680,442~~ $77,937,503
Total Service Area	**$447,799,099**	**~~$474,082,128~~ $467,784,872**

3. Beginning with the FY 2008 allocation of the higher education equipment trust fund, the Treasury Board shall amortize equipment purchases at seven years, which is consistent with the useful life of the equipment.

4. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds, the following nongeneral fund amounts from a capital fee charged to out-of-state students at institutions of higher education shall be paid to the Virginia College

Building Authority in each year for debt service on bonds issued under the 21st Century Program:

Institution	FY 2019	FY 2020
George Mason University	$2,644,002	$2,804,490
Old Dominion University	$1,047,123	$1,108,899
University of Virginia	$4,721,706	$5,006,754
Virginia Polytechnic Institute and State University	$4,867,731	$5,192,295
Virginia Commonwealth University	$2,224,530	$2,359,266
College of William and Mary	$1,549,053	$1,639,845
Christopher Newport University	$122,562	$131,508
University of Virginia's College at Wise	$45,540	$48,330
James Madison University	$2,675,079	$2,843,787
Norfolk State University	$402,831	$420,789
Longwood University	$97,911	$106,149
University of Mary Washington	$222,750	$234,834
Radford University	$281,556	$300,486
Virginia Military Institute	$377,190	$400,470
Virginia State University	$739,233	$773,577
Richard Bland College	$9,900	$10,830
Virginia Community College System	$3,139,785	$3,301,665
TOTAL	**$25,168,572**	**$26,683,974**

5. Out of the amounts for Debt Service Payments of College Building Authority Bonds, the following is the estimated general and nongeneral fund breakdown of each institution's share of the debt service on the Virginia College Building Authority bond issues to finance equipment. The nongeneral fund amounts shall be paid to the Virginia College Building Authority in each year for debt service on bonds issued under the equipment program:

	FY 2019		FY 2020	
Institution	**General Fund**	**Nongeneral Fund**	**General Fund**	**Nongeneral Fund**
College of William & Mary	$2,726,776	$259,307	$2,542,753	$259,307
University of Virginia	$14,768,704	$1,088,024	~~$14,069,323~~ $13,619,323	$1,088,024
Virginia Polytechnic Institute and State	$14,850,856	$992,321	~~$14,157,712~~ $14.282,712	$992,321
Virginia Military Institute	$844,441	$88,844	$766,641	$88,844
Virginia State University	$1,304,801	$108,886	$1,186,954	$108,886
Norfolk State University	$1,155,483	$108,554	$1,050,111	$108,554
Longwood University	$728,290	$54,746	$663,015	$54,746
University of Mary Washington	$760,811	$97,063	$872,100	$97,063
James Madison University	$2,178,176	$254,504	$1,975,385	$254,504
Radford University	$1,535,517	$135,235	$1,213,438	$135,235
Old Dominion University	$5,250,439	$374,473	~~$4,670,293~~ $4,800,749	$374,473
Virginia Commonwealth University	$9,627,321	$401,647	~~$9,153,973~~ $8,903,973	$401,647
Richard Bland College	$166,653	$2,027	$152,592	$2,027
Christopher Newport University	$776,754	$17,899	$710,511	$17,899
University of Virginia's College at Wise	$244,285	$19,750	$222,275	$19,750
George Mason University	$4,474,164	$205,665	~~$4,516,681~~ $4,771,644	$205,665
Virginia Community College System	$14,722,898	$633,657	~~$14,614,134~~ $14,060,730	$633,657
Virginia Institute of Marine Science	$568,209	$0	$520,534	$0
Roanoke Higher	$81,758	$0	$74,943	$0
Education Authority Southwest Virginia	$84,378	$0	$77,344	$0
Higher Education Center Institute for Advanced	$288,907	$0	$264,704	$0
Learning and Research Southern Virginia	$86,674	$0	$92,482	$0
Higher Education Center New College Institute	$50,542	$0	~~$33,246~~ $33,296	$0
Eastern Virginia Medical School	$155,335	$0	$236,697	$0
TOTAL	**$77,432,173**	**$4,842,602**	**~~$73,837,840~~ $73,094,905**	**$4,842,602**

F. Pursuant to various Payment Agreements between the Treasury Board and the Commonwealth Transportation Board, funds required to pay the debt service due on Commonwealth Transportation Board bonds shall be paid to the Trustee for the bondholders by the Treasury Board after transfer of these funds to the Treasury Board from the Commonwealth Transportation Board pursuant to Item 457, paragraph E of this act and §§ 33.2-2300, 33.2-2400, and 58.1-816.1, Code of Virginia.

G. Under the authority of this act, an agency may transfer funds to the Treasury Board for use as lease, rental, or debt service payments to be used for any type of financing where the proceeds are used to acquire equipment and to finance associated costs, including but not limited to issuance and other financing costs. In the event such transfers occur, the transfers shall be deemed an appropriation to the Treasury Board for the purpose of making the lease, rental, or debt service payments described herein.

H. Notwithstanding the provisions of 2.2-11.56, Code of Virginia, if tax-exempt bonds were used by the Commonwealth or its authorities, boards, or institutions to finance the acquisition, construction, improvement or equipping of real property, proceeds from the subsequent sale or disposition of such property and any improvements may first be applied toward remediation options available under federal law in order to maintain the tax-exempt status of such bonds.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
280. Not set out.				
Total for Treasury Board.....			**$782,931,935**	~~**$824,795,771**~~ **$811,851,461**
Fund Sources: General.....	$735,190,499	~~$776,432,307~~ $764,913,338		
Higher Education Operating.....	$30,011,174	$31,526,576		
Dedicated Special Revenue.....	$645,000	$645,000		
Federal Trust.....	$17,085,262	~~$16,191,888~~ $14,766,547		
TOTAL FOR OFFICE OF FINANCE.....			**$2,896,859,677**	~~**$3,205,595,239**~~ **$2,872,350,929**
General Fund Positions.....	1,111.20	1,114.20		
Nongeneral Fund Positions.....	205.80	205.80		
Position Level.....	$1,317.00	$1,320.00		
Fund Sources: General.....	$2,159,864,411	~~$2,491,683,380~~ $2,159,864,411		
Special.....	$13,074,635	$13,034,585		
Higher Education Operating.....	$30,011,174	$31,526,576		
Commonwealth Transportation.....	$185,187	$185,187		
Internal Service.....	$27,111,233	$27,868,441		
Trust and Agency.....	$116,468,716	$116,472,035		
Dedicated Special Revenue.....	$480,604,377	$508,633,147		
Federal Trust.....	$17,085,262	~~$16,191,888~~ $14,766,547		

OFFICE OF HEALTH AND HUMAN RESOURCES

§ 1-18. SECRETARY OF HEALTH AND HUMAN RESOURCES (188)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
281. Administrative and Support Services (79900).....			$830,743	$830,743
General Management and Direction (79901).....	$830,743	$830,743		
Fund Sources: General.....	$830,743	$830,743		

Authority: Title 2.2, Chapter 2; Article 6, and § 2.2-200, Code of Virginia.

A.1. The Secretary of Health and Human Resources, in collaboration with the Office of the Attorney General and the Secretary of Public Safety and Homeland Security, shall present a six-year forecast of the adult offender population presently incarcerated in the Department of Corrections and approaching release who meet the criteria set forth in Chapter 863 and Chapter 914 of the 2006 Acts of Assembly, and who may be eligible for evaluation as sexually violent predators (SVPs) for each fiscal year within the six-year forecasting period. As part of the forecast, the secretary shall report on: (i) the number of Commitment Review Committee (CRC) evaluations to be completed; (ii) the number of eligible inmates recommended by the CRC for civil commitment, conditional release, and full release; (iii) the number of civilly committed residents of the Virginia Center for Behavioral Rehabilitation who are eligible for annual review; and (iv) the number of individuals civilly committed to the Virginia Center for Behavioral Rehabilitation and granted conditional release from civil commitment in a state SVP facility. The secretary shall complete a summary report of current SVP cases and a forecast of SVP eligibility, civil commitments, and SVP conditional releases, including projected bed space requirements, to the Governor and Senate Finance and House Appropriations Committees by November 15 of each year.

2. As part of the forecast process, the Department of Corrections shall administer a STATIC-99 screening to all potential Sexually Violent Predators eligible for civil commitment pursuant to § 37.2-900 et seq., Code of Virginia, within six months of admission to the Department of Corrections. The results of such screenings shall be provided to the commissioner of the Department of Behavioral Health and Developmental Services (DBHDS) on a monthly basis and used for the SVP population forecast process.

3. The Office of the Attorney General shall also provide to the commissioner of DBHDS, on a monthly basis, the status of all SVP cases pending before their office for purposes of forecasting the SVP population.

B. The Secretary of Health and Human Resources shall create a trauma-informed care workgroup to develop a shared vision and definition of trauma-informed care for agencies within the Health and Human Resources Secretariat. The workgroup shall include representatives from the Departments of Social Services, Behavioral Health and Developmental Services, Medical Assistance Services, and Health, as well as stakeholders, researchers, community organizations and representatives from impacted communities. The

workgroup shall also (i) examine Virginia's applicable child and family-serving programs and data; (ii) develop strategies to build a trauma-informed system of care for children, using best practices for families who are impacted by the human service delivery system; (iii) identify indicators to measure progress in developing such a system of care; (iv) identify needed professional development/training in trauma-informed practices for all child-serving professionals and (v) identify data sharing issues that need to be addressed to facilitate such a system. In addition, the workgroup shall explore opportunities to expand trauma-informed care throughout the Commonwealth. The Secretary of Health and Human Resources shall report on the workgroup's activities to the Chairmen of the House Appropriations and Senate Finance Committees and the Virginia Commission on Youth by December 15 of each year.

C.1. The Secretary of Health and Human Resources, in collaboration with the Secretary of Administration and the Secretary of Public Safety and Homeland Security, shall convene an interagency workgroup to oversee the development of a statewide integrated electronic health record (EHR) system. The workgroup shall include the Department of Behavioral Health and Developmental Services (DBHDS), the Virginia Department of Health, the Department of Corrections, the Department of Planning and Budget, staff of the House Appropriations and Senate Finance Committees, and other agencies as deemed appropriate by the respective Secretaries. The purpose of the workgroup shall be to evaluate common business requirements for electronic health records to ensure consistency and interoperability with other partner state and local agencies and public and private health care entities to the extent allowed by federal and state law and regulations. The goal of the workgroup is to develop an integrated EHR which may be shared as appropriate with other partner state and local agencies and public and private health care entities. The workgroup shall evaluate the DBHDS statement of work developed for its EHR system and the DBHDS platform for potential adaption and/or use by state agencies in order to develop an integrated statewide EHR.

2. The workgroup may consider and evaluate other EHR systems that may be more appropriate to meet specific agency needs and evaluate the cost-effectiveness of pursing a separate EHR system as compared to a statewide integrated EHR. However, the workgroup shall ensure that standards are developed to ensure that EHRs can be shared as appropriate with public and private partner agencies and health care entities.

3. The workgroup shall also develop an implementation timeline, cost estimates, and assess other issues that may need to be addressed in order to implement an integrated statewide EHR system. The timeline and cost estimates shall be used by the respective agencies to coordinate implementation. The workgroup shall report on its activities and any recommendations to the Joint Subcommittee on Heath and Human Resources Oversight by October 15, 2018.

4. The workgroup shall produce a robust analysis of the costs and benefits of using the platform provided through Contract Number VA-121107-SMU managed by the Virginia Information Technologies Agency on behalf of the Commonwealth of Virginia in developing and implementing electronic health records for use by the Virginia Department of Health. The analysis shall consider the need for a separate domain from any other procured through the Contract. The workgroup shall report on the findings of the analysis and any recommendations to the Joint Subcommittee on Health and Human Resources Oversight by November 1, 2019.

D. The Secretary of Health and Human Resources shall convene a work group to examine recent trends in the individual insurance market and state options for stabilizing that market. The examination shall include, but not be limited to, a review of association and catastrophic health plans as well as innovative solutions that reduce individual insurance premiums and out-of-pocket costs while preserving access to comprehensive health insurance. The examination shall also consider the resources necessary to fund any proposed options. The work group shall include the Commissioner of Insurance or his designee, the Virginia Association of Health Plans, chambers of commerce, and other relevant stakeholders at the discretion of the Secretary. The Secretary shall report his findings and recommendations to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2018.

E.1. The Secretary of Health and Human Resources is authorized to develop and apply for a state innovation waiver under Section 1332 of the federal Patient Protection and Affordable Care Act (42 U.S.C. 18052) to implement innovative solutions to help stabilize the individual insurance market by reducing individual insurance premiums and out-of-pocket costs while preserving access to health insurance. Such solutions may include the implementation of a state reinsurance program or high risk pool, or market stabilization program payments, among others.

2. The State Corporation Commission Bureau of Insurance shall provide technical assistance to the Secretary of Health and Human Resources as requested.

3. The Secretary shall report on the waiver plan to the House and Senate Committees on Labor and Commerce and the House Appropriations and Senate Finance Committees prior to the submission of the waiver application. Such report shall include an analysis of the costs and assumptions used to implement the waiver and any mechanism proposed to fund the non-federal share of costs. Implementation of the waiver shall be subject to appropriation of the non-federal share of costs by the General Assembly and approval by the United States Secretary of Health and Human Services.

F. The Secretary of Health and Human Resources, in collaboration with the Secretary of Administration, Secretary of Finance, and State Corporation Commission (SCC), shall convene a workgroup to evaluate options to prohibit the practice of balance billing by out-of-network health care providers for emergency services rendered, and to establish equitable and fair reimbursement for these health care providers. The workgroup shall include: 1) staff from the House Appropriations and Senate Finance Committees and representatives from such state agencies as the Commission and Secretaries deem appropriate, and 2) relevant stakeholders, including but not limited to, the Medical Society of Virginia, Virginia College of Emergency Physicians, Virginia Hospital and Healthcare Association, Virginia Association of Health Plans, Virginia Poverty Law Center, and National Patient Advocate Foundation. The workgroup shall include in its report the fiscal impact of each option considered and the impact on provider networks. The workgroup also shall include in its report recommendations for future legislation for consideration by the General Assembly. The SCC shall provide analytical and actuarial services pursuant to the workgroup's analysis and development of a proposal, as needed. The workgroup shall protect any proprietary and confidential data of any health plan, healthcare provider, or third party administrator in its final report. The workgroup shall report its recommendations to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by November 15, 2019.

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
Total for Secretary of Health and Human Resources...			$830,743	$830,743
General Fund Positions.....	5.00	5.00		
Position Level.....	5.00	5.00		
Fund Sources: General.....	$830,743	$830,743		

	Item Details($)		Appropriati	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Yea FY2020
282. Protective Services (45300).....			$343,351,604	~~$353,282,08~~ $359,931,38
Financial Assistance for Child and Youth Services (45303).....	$343,351,604	~~$353,282,080~~ $359,931,382		
Fund Sources: General.....	$290,743,858	~~$300,674,334~~ $307,323,636		
Federal Trust.....	$52,607,746	$52,607,746		

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, $238,581,993 the first year and ~~$252,856,145~~ $242,612,469 the second year from the general fund and $51,607,746 the first year and $51,607,746 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 $28,526,197 the first year and $28,526,197 the second year from the general fund and $43,187,748 the first year and $43,187,748 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 $209,805,796 the first year and $214,086,272 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, $49,766,865 the first year and ~~$55,666,865~~ $62,256,176 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 Bla 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 Services Act.

d. Pursuant to § 2.2-5200, Code of Virginia, Community Policy and Management Teams shall seek to ensure that services and funding are consistent with the Commonwealth's policies of preserving families and providing appropriate services in the least restrictive environment, while protecting the welfare of children and maintaining the safety of the public. Each locality shall submit to the Office of Children's Services information on utilization of residential facilities for treatment of children and length of stay in such facilities. By December 15 of each year, the Office of Children's Services shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees on utilization rates and average lengths of stays statewide and for each locality.

3. Each locality receiving funds for activities under the Children's Services Act (CSA) shall have a utilization management process, including a uniform assessment, approved by the State Executive Council, covering all CSA services. Utilizing a secure electronic site, each locality shall also provide information as required by the Office of Children's Services to include, but not be limited to case specific information, expenditures, number of youth served in specific CSA activities, length of stay for residents in core licensed residential facilities, and proportion of youth placed in treatment settings suggested by the uniform assessment instrument. The State Executive Council, utilizing this information, shall track and report on child specific outcomes for youth whose services are funded under the Children's Services Act. Only non-identifying demographic, service, cost and outcome information shall be released publicly. Localities requesting funding from the set aside in paragraph 2.a. and 2.b. must demonstrate compliance with all CSA provisions to receive pool funding.

4. The Secretary of Health and Human Resources, in consultation with the Secretary of Education and the Secretary of Public Safety and Homeland Security, shall direct the actions for the Departments of Social Services, Education, and Juvenile Justice, Medical Assistance Services, Health, and Behavioral Health and Developmental Services, to implement, as part of ongoing information systems development and refinement, changes necessary for state and local agencies to fulfill CSA reporting needs.

5. The State Executive Council shall provide localities with technical assistance on ways to control costs and on opportunities for alternative funding sources beyond funds available through the state pool.

6. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is provided for a combination of regional and statewide meetings for technical assistance to local community policy and management teams, family assessment and planning teams, and local fiscal agents. Training shall include, but not be limited to, cost containment measures, building community-based services, including creation of partnerships with private providers and non-profit groups, utilization management, use of alternate revenue sources, and administrative and fiscal issues. A state-supported institution of higher education, in cooperation with the Virginia Association of Counties, the Virginia Municipal League, and the State Executive Council, may assist in the provisions of this paragraph. A training plan shall be presented to and approved by the State Executive Council before the beginning of each fiscal year. A training calendar and timely notice of programs shall be provided to Community Policy and Management Teams and family assessment and planning team members statewide as well as to local fiscal agents and chief administrative officers of cities and counties. A report on all regional and statewide training sessions conducted during the fiscal year, including (i) a description of each program and trainers, (ii) the dates of the training and the number of attendees for each program, (iii) a summary of evaluations of these programs by attendees, and

(iv) the funds expended, shall be made to the Chairmen of the House Appropriations and Senate Finance Committees and to the members of the State Executive Council by December 1 of each year. Any funds unexpended for this purpose in the first year shall be reappropriated for the same use in the second year.

7. Out of this appropriation, $70,000 the first year and $70,000 the second year from the general fund is provided for the Office of Children's Services to contract for the support of uniform CSA reporting requirements.

8. The State Executive Council shall require a uniform assessment instrument.

9. The Office of Children's Services, in conjunction with the Department of Social Services, shall determine a mechanism for reporting Temporary Assistance for Needy Families Maintenance of Effort eligible costs incurred by the Commonwealth and local governments for the Children's Services Act.

10. For purposes of defining cases involving only the payment of foster care maintenance, pursuant to § 2.2-5209, Code of Virginia, the definition of foster care maintenance used by the Virginia Department of Social Services for federal Title IV-E shall be used.

C. The funding formula to carry out the provisions of the Children's Services Act is as follows:

1. Allocations. The allocations for the Medicaid and non-Medicaid pools shall be the amounts specified in paragraphs B.1.b. and B.1.c. in this Item. These funds shall be distributed to each locality in each year of the biennium based on the greater of that locality's percentage of actual 1997 Children's Services Act pool fund program expenditures to total 1997 pool fund program expenditures or the latest available three-year average of actual pool fund program expenditures as reported to the state fiscal agent.

2. Local Match. All localities are required to appropriate a local match for the base year funding consisting of the actual aggregate local match rate based on actual total 1997 program expenditures for the Children's Services Act. This local match rate shall also apply to all reimbursements from the state pool of funds in this Item and carryforward expenditures submitted prior to September 30 each year for the preceding fiscal year, including administrative reimbursements under paragraph C.4. in this Item.

3.a. Notwithstanding the provisions of C.2. of this Item, beginning July 1, 2008, the local match rate for community based services for each locality shall be reduced by 50 percent.

b. Localities shall review their caseloads for those individuals who can be served appropriately by community-based services and transition those cases to the community for services. Beginning July 1, 2009, the local match rate for non-Medicaid residential services for each locality shall be 25 percent above the fiscal year 2007 base. Beginning July 1, 2011, the local match rate for Medicaid residential services for each locality shall be 25 percent above the fiscal year 2007 base.

c. By December 1 of each year, The State Executive Council (SEC) shall provide an update to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on the outcomes of this initiative.

d. At the direction of the State Executive Council, local Community Policy and Management Teams (CPMTs) and Community Services Boards (CSBs) shall work collaboratively in their service areas to develop a local plan for intensive care coordination (ICC) services that best meets the needs of the children and families. If there is more than one CPMT in the CSB's service area, the CPMTs and the CSB may work together as a region to develop a plan for ICC services. Local CPMTs and CSBs shall also work together to determine the most appropriate and cost-effective provider of ICC services for children in their community who are placed in, or at-risk of being placed in, residential care through the Children's Services Act, in accordance with guidelines developed by the State Executive Council. The State Executive Council and Office of Children's Services shall establish guidelines for reasonable rates for ICC services and provide training and technical assistance to CPMTs and fiscal agents regarding these services.

e. The local match rate for all non-Medicaid services provided in the public schools after June 30, 2011 shall equal the fiscal year 2007 base.

4. Local Administrative Costs. Out of this appropriation, an amount equal to two percent of the fiscal year 1997 pool fund allocations, not to exceed $2,060,000 the first year and $2,060,000 the second year from the general fund, shall be allocated among all localities for administrative costs. Every locality shall be required to appropriate a local match based on the local match contribution in paragraph C.2. of this Item. Inclusive of the state allocation and local matching funds, every locality shall receive the larger of $12,500 or an amount equal to two percent of the total pool allocation. Localities are encouraged to use administrative funding to hire a full-time or part-time local coordinator for the Children's Services Act program. Localities may pool this administrative funding to hire regional coordinators.

5. Definition. For purposes of the funding formula in the Children's Services Act, "locality" means city or county.

D. Community Policy and Management Teams shall use Medicaid-funded services whenever they are available for the appropriate treatment of children and youth receiving services under the Children's Services Act. Effective July 1, 2009, pool funds shall not be spent for any service that can be funded through Medicaid for Medicaid-eligible children and youth except when Medicaid-funded services are unavailable or inappropriate for meeting the needs of a child.

E. Pursuant to subdivision 3 of § 2.2-5206, Code of Virginia, Community Policy and Management Teams shall enter into agreements with the parents or legal guardians of children receiving services under the Children's Services Act. The Office of Children's Services shall be a party to any such agreement. If the parent or legal guardian fails or refuses to pay the agreed upon sum on a timely basis and a collection action cannot be referred to the Division of Child Support Enforcement of the Department of Social Services, upon the request of the community policy management team, the Office of Children's Services shall make a claim against the parent or legal guardian for such payment through the Department of Law's Division of Debt Collection in the Office of the Attorney General.

F. The Office of Children's Services, in cooperation with the Department of Medical Assistance Services, shall provide technical assistance and training to assist residential and treatment foster care providers who provide Medicaid-reimbursable services through the Children's Services Act to become Medicaid-certified providers.

G. The Office of Children's Services shall work with the State Executive Council and the Department of Medical Assistance Services to assist Community Policy and Management Teams in appropriately accessing a full array of Medicaid-funded services for Medicaid-eligible children and youth through the Children's Services Act, thereby increasing Medicaid reimbursement for treatment services and decreasing the number of denials for Medicaid services related to medical necessity and utilization review activities.

H. Pursuant to subdivision 21 of § 2.2-2648, Code of Virginia, no later than December 20 in the odd-numbered years, the State Executive Council shall biennially publish and disseminate to members of the General Assembly and Community Policy and Management Teams a progress report on services for children, youth, and families and a plan for such services for the succeeding biennium.

I. Out of this appropriation, $275,000 the first year and $275,000 the second year from the general fund shall be used to purchase and maintain an information system to provide quality and timely child demographic, service, expenditure, and outcome data.

J. The State Executive Council shall work with the Department of Education to ensure that funding in this Item is sufficient to pay for the educational services of students that have been placed in or admitted to state or privately operated psychiatric or residential treatment facilities to meet the educational needs of the students as prescribed in the student's Individual Educational Plan (IEP).

K.1. The Office of Children's Services (OCS) shall report on funding for therapeutic foster care services including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition. In addition, the OCS shall provide guidance and training to assist localities in negotiating contracts with therapeutic foster care providers.

2. The Office of Children's Services shall report on funding for special education day treatment and residential services, including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition.

3. The Office of Children's Services shall report by December 1 of each year the information included in this paragraph to the Chairmen of the House Appropriations and Senate Finance Committees.

L. Out of this appropriation, the Director, Office of Children's Services, shall allocate $2,200,000 the first year and $2,200,000 the second year from the general fund to localities for wrap-around services for students with disabilities as defined in the Children's Services Act policy manual.

M. Out of this appropriation, up to $250,000 the first year from the general fund shall be made available for the Office of Children's Services to contract for a study on the current rates paid by localities to special education private day programs licensed by the Virginia Department of Education. The study shall include an examination of the adequacy of the current rates for private educational services for children placed outside of public school settings, and include recommendations for implementing a rate-setting structure for educational services reimbursed through the Children's Services Act. The study shall consider the impact on local school districts, local governments, and public and private educational services providers. The Office of Children's Services shall provide an interim report on the study's findings to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by December 1, 2018, and a final report, including recommendations, by October 1, 2019. The final report shall include a list of all special education private day programs that did not participate in or respond to the provider survey the contractor used to collect information to assist in conducting the rate study.

N. Notwithstanding any other provision of law, the rates paid by localities to providers of private day special education services under the Children's Services Act shall not increase more than two percent above the rates paid in the prior fiscal year. This provision shall take effect July 1, 2019, such that the rates paid in fiscal year 2020 shall not increase more than two percent over the rates paid in fiscal year 2019. All localities shall submit their contracted rates for private day education services to the Office of Children's Services by August 1 of each year.

O. The Office of Children's Services shall coordinate with the Department of Education to facilitate a workgroup to include private providers, including the Virginia Association of Independent Specialized Education Facilities, the Virginia Council for Private Education, the Virginia Association of Independent Schools, the Virginia Coalition of Private Provider Associations, and the Virginia Association of Community Services Boards, local school divisions, stakeholder groups, and parent representatives to identify and define outcome measures to assess students' progress in private day placements that may include assessment scores, attendance, graduation rates, transition statistics, and return to the students' home schools. The agencies shall ensure that the number of members from each group (i.e representatives of private providers, parents, local governments, and other stakeholders are each considered their own group) are proportionally represented on the workgroup. The Office of Children's Services and Department of Education shall report recommendations to the Chairmen of the House Education and Appropriations Committees and the Senate Education and Health and Finance Committees by November 1, 2018.

	Item Details($)		Appropriations	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
283. Not set out.				
Total for Children's Services Act.....			**$345,284,662**	~~**$355,227,870**~~ **$361,877,172**
General Fund Positions.....	14.00	14.00		
Position Level.....	14.00	14.00		
Fund Sources: General.....	$292,676,916	~~$302,620,124~~ $309,269,426		
Federal Trust.....	$52,607,746	$52,607,746		
Grand Total for Secretary of Health and Human Resources.....			**$346,115,405**	~~**$356,058,613**~~ **$362,707,915**
General Fund Positions.....	19.00	19.00		
Position Level.....	19.00	19.00		
Fund Sources: General.....	$293,507,659	~~$303,450,867~~ $310,100,169		
Federal Trust.....	$52,607,746	$52,607,746		
284. Not set out.				

§ 1-19. DEPARTMENT OF HEALTH (601)

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
285. Not set out.				
286. Not set out.				
287. Not set out.				
288. Not set out.				
289. Not set out.				
290. Not set out.				

291. Not set out.				
292. Not set out.				
293. Not set out.				
294. Not set out.				
295. Not set out.				
296. Not set out.				
297. Administrative and Support Services (49900).....			$24,292,399	~~$24,428,665~~ $22,602,964
General Management and Direction (49901)	$9,322,919	~~$11,722,919~~ $9,947,218		
Information Technology Services (49902)	$8,140,609	~~$5,790,609~~ $5,740,609		
Accounting and Budgeting Services (49903).....	$3,267,953	$3,267,953		
Human Resources Services (49914).....	$2,113,124	$2,113,124		
Procurement and Distribution Services (49918)	$1,447,794	$1,534,060		
Fund Sources: General.....	$15,623,199	~~$15,759,465~~ $13,933,764		
Special.....	$3,973,821	$3,973,821		
Federal Trust.....	$4,695,379	$4,695,379		

Authority: §§ 3.2-5206 through 3.2-5216, 32.1-11.3 through 32.1-23, 35.1-1 through 35.1-7, and 35.1-9 through 35.1-28, Code of Virginia.

A. The State Comptroller is hereby authorized to provide a line of credit of up to $200,000 to the Department of Health to cover the actual costs of expanding the availability of vital records through the Department of Motor Vehicles, to be repaid from administrative processing fees provided under Code of Virginia, § 32.1-273 until such time as the line of credit is repaid.

B. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund shall be provided for agency costs related to onboarding to ConnectVirginia, transition costs to convert the agency's node on ConnectVirginia to the state agency node, and provide support to other state agencies in their onboarding efforts.

C. The Virginia Department of Health is authorized to develop a plan to allocate a reduction of $150,000 the first year and $150,000 the second year from the general fund across programs within the department to reflect administrative savings. The Department of Planning and Budget is authorized to make the necessary budget execution adjustments to transfer the funds between programs to implement the plan.

D.1. Out of this appropriation, $370,000 from the general fund and $3,330,000 from nongeneral funds is provided for the Virginia Department of Health to implement the requirements of House Bill 2209 and Senate Bill 1561 (2017 Session). The department shall contract or amend an existing contract with a non-profit entity as necessary in order to do so. The department shall require its contractor to establish a separate and distinct Emergency Department Care Coordination Advisory Council (ED Council) to whom responsibility for implementing this program shall be delegated under the department's supervision. The contractor may utilize an existing governance, legal and trust framework in order to fulfill the requirements of House Bill 2209 and Senate Bill 1561 and to expedite the implementation of the program.

2. The ED Council, under the department's governance and direction shall: (i) specify the necessary functionalities to meet the needs of all key stakeholders: (ii) develop and oversee a competitive selection process for a vendor or vendors that will provide a single, statewide technology solution to fulfill the required functionalities and advance the goals of the initiative: and (iii) select and oversee the implementation of successful information technologies, with implementation no later than June 30, 2018. The ED Council shall include three representatives from the Commonwealth appointed by the Secretary, including the department, the Department of Medical Assistance Services, and the Department of Health Professions: three representatives from hospitals and health systems, nominated by the Virginia Hospital and Healthcare Association: three health plan representatives, nominated by the Virginia Association of Health Plans: and six physician representatives, nominated by the Medical Society of Virginia with representation from the Virginia College of Emergency Physicians, the Virginia Academy of Family Physicians and the Virginia Chapter, American Academy of Pediatrics.

3. The department shall coordinate with the Department of Medical Assistance Services to seek federal Health Information Technology for Economic and Clinical Health (HITECH) Act matching funds. The department shall coordinate with the Department of Medical Assistance Services to seek any additional eligible federal matching funds supporting provider electronic health record implementation and integration in order to implement the program. The department may use up to $100,000 for administrative costs.

4. The implementation of this initiative is contingent upon the receipt of federal HITECH Act funds, and neither the department nor its contractor shall be obligated to implement the program without HITECH Act matching funds. The appropriation in this paragraph is contingent upon the receipt of federal HITECH Act funds.

5. Effective July 1, 2017 or upon program implementation, all hospitals operating emergency departments in the Commonwealth and all Medicaid Managed Care contracted health plans shall participate in the program. Effective June 30, 2018, all hospital operating emergency departments in the Commonwealth, all Medicaid Managed Care contracted health plans, the State Employee Health Plan, all Medicare plans operating in the Commonwealth, and all commercial plans operating in the Commonwealth, excluding ERISA plans, shall participate in the program. The department, in coordination with the Department of Medical Assistance Services, shall determine the amount of federal funds available to support program operations in the second year. Accordingly, the department, in coordination with the Department of Medical Assistance Services and the ED Council, shall recommend, by December 15, 2017, a funding structure for program operations in fiscal year 2019 that apportions program costs across the Commonwealth, participating hospitals, and participating health plans.

6. The department, in coordination with the ED Council, shall report annually beginning November 1, 2017 to the Secretary of Health and Human Resources and the Chairmen of the House Appropriations and the Senate Finance Committees on progress, including, but not limited to: (i) the participation rate of hospitals and health systems, physicians and subscribing health plans; (ii) strategies for sustaining the program and methods to continue to improve care coordination; and (iii) the impact on health care utilization and quality goals such as reducing the frequency of visits by high-volume Emergency Department utilizers and avoiding duplication of prescriptions, imaging, testing or other health care services.

E. The Virginia Department of Health shall assess the feasibility of developing a home visiting Pay for Success pilot program. The department shall develop a workgroup comprised of Virginia home visiting organizations and early childhood education organizations in examining this issue. The department shall determine if the recent provisions of the federal Bipartisan Budget Act of 2018 allow for the department to access federal funding to develop a pilot Pay for Success program for home visiting. The department shall report on the feasibility analysis, the availability of federal funding and the steps necessary to proceed with a pilot program, if feasible, to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2018.

~~F. The Virginia Department of Health shall modify the Emergency Room Care Coordination Program to track individuals who present in the emergency room under an Emergency Custody Order (ECO). The program shall identify the legal disposition of individuals being evaluated for psychiatric hospitalization as Temporary Detention Order at the hospital, Temporary Detention Order at another Hospital, Voluntary Admission at the Hospital, or Voluntary Admission at Other Hospital, or released to the community. The department shall report the data monthly on its website by hospital and provide an annual report to the General Assembly for each fiscal year, no later than September 1, after the the end of the fiscal year.~~

G. Out of the amounts in this Item, the department shall use $1,775,701 from indirect cost recoveries the second year to supplant general fund amounts for General Management and Direction.

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
Total for Department of Health.....			$730,311,560	~~$731,945,928~~ $730,120,227
General Fund Positions.....	1,503.00	1,504.50		
Nongeneral Fund Positions.....	2,196.00	2,198.00		
Position Level.....	3,699.00	3,702.50		
Fund Sources: General.....	$182,107,747	~~$182,537,044~~ $180,711,343		
Special.....	$156,740,424	$157,767,760		
Dedicated Special Revenue.....	$112,231,055	$112,231,055		
Federal Trust.....	$279,232,334	$279,410,069		
298. Not set out.				
299. Not set out.				

§ 1-20. DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (602)

	Item Details($)		Appropriati	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Yea FY2020
300. Not set out.				
301. Not set out.				
302. Children's Health Insurance Program Delivery (44600).....			$213,752,531	~~$221,851,57~~ $228,649,28
Reimbursements for Medical Services Provided Under the Family Access to Medical Insurance Security Plan (44602).....	$213,752,531	~~$221,851,578~~ $228,649,287		
Fund Sources: General.....	$11,212,749	~~$31,182,684~~ $33,417,135		
Dedicated Special Revenue.....	$14,065,627	$14,065,627		
Federal Trust.....	$188,474,155	~~$176,603,267~~ $181,166,525		

Authority: Title 32.1, Chapter 13, Code of Virginia; Title XXI, Social Security Act, Federal Code.

A. Pursuant to Chapter 679, Acts of Assembly of 1997, the State Corporation Commission shall annually, on or before June 30, 1998, and each year thereafter, calculate the premium differential between: (i) 0.75 percent of the direct gross subscriber fee income derived from eligible contracts and (ii) the amount of license tax revenue generated pursuant to subdivision A 4 of § 58.1-2501 for the immediately preceding taxable year and notify the Comptroller of the Commonwealth to transfer such amounts to the Family Access to Medical Insurance Security Plan Trust Fund as established on the books of the State Comptroller.

B. As a condition of this appropriation, revenues from the Family Access to Medical Insurance Security Plan Trust Fund, shall be used to match federal funds for the Children's Health Insurance Program.

C. Every eligible applicant for health insurance as provided for in Title 32.1, Chapter 13, Code of Virginia, shall be enrolled and served in the program.

D. To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation, as needed, from Medicaid Program Services (45600) and Medical Assistance Services for Low Income Children (46600), if available, into this Item to be used as state match for federal Title XXI funds.

E. The Department of Medical Assistance Services shall make the monthly capitation payment to managed care organizations for the member months of each month in the first week of the subsequent month.

F. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of

Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director, Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the alternative method.

	Item Details($)		Appropri	
	First Year	Second Year	First Year	Second Y
303. Medicaid Program Services (45600).....			$11,840,531,648	~~$14,915,~~ $14,336,~
Reimbursements to State-Owned Mental Health and Intellectual Disabilities Facilities (45607).....	$123,671,762	$81,678,750		
Reimbursements for Behavioral Health Services (45608).....	$186,076,126	~~$43,601,628~~ $48,432,736		
Reimbursements for Medical Services (45609)	$8,994,264,674	~~$9,664,682,683~~ $9,348,288,006		
Reimbursements for Long-Term Care Services (45610).....	$1,442,690,738	~~$1,497,658,506~~ $1,466,893,570		
Payments for Healthcare Coverage for Low-Income Uninsured Adults (45611).....	$1,093,828,348	~~$3,627,446,696~~ $3,390,988,518		
Fund Sources: General.....	$4,875,329,958	~~$4,988,700,277~~ $4,727,005,638		
Dedicated Special Revenue.....	$675,249,477	~~$1,062,068,926~~ $1,114,008,760		
Federal Trust.....	$6,289,952,213	~~$8,864,299,060~~ $8,495,267,182		

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.1. 89-97, as amended, Title XIX, Social Security Act, Federal Code.

A.1. Out of this appropriation, $61,835,881 the first year and $40,839,375 the second year from the general fund and $61,835,881 the first year and $40,839,375 the second year from the federal trust fund is provided for reimbursement to the institutions within the Department of Behavioral Health and Developmental Services.

2. Out of this appropriation, $18,969,647 the first year from the general fund is provided to cover any federal deferrals associated with payments made to Piedmont and Catawba hospitals. The Department of Planning and Budget shall unallot these funds and shall not allot the funds until the Department of Medical Assistance Services (DMAS) provides documentation of a federal deferral. The Department of Planning and Budget shall be authorized to transfer any unspent portion of this amount, along with first year appropriation in service area 45607 of this Item, to agency 793 (Mental Health Treatment Centers) should DMAS cease Medicaid payments to either Piedmont or Catawba hospitals.

B.1. Included in this appropriation is $44,675,958 the first year and ~~$9,017,369~~ $9,219,839 the second year from the general fund and $63,864,717 the first year and ~~$28,206,128~~ $28,408,598 the second year from nongeneral funds to reimburse the Virginia Commonwealth University Health System for indigent health care costs as reported by the hospital and adjusted by the department for indigent care savings related to Medicaid expansion. This funding is composed of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

2. Included in this appropriation is $26,274,229 the first year and ~~$3,054,908~~ $17,873,547 the second year from the general fund and $40,989,007 the first year and ~~$17,760,686~~ $32,588,325 the second year from nongeneral funds to reimburse the University of Virginia Health System for indigent health care costs as reported by the hospital and adjusted by the department for indigent care savings related to Medicaid expansion. This funding is comprised of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

3. The general fund amounts for the state teaching hospitals have been reduced to mirror the general fund impact of reduced and no inflation for inpatient services in prior years. It also includes reductions associated with prior year indigent care reductions. However, the nongeneral funds are appropriated. In order to receive the nongeneral funds in excess of the amount of the general fund appropriated, the health systems shall certify the public expenditures.

4. The Department of Medical Assistance Service shall have the authority to increase Medicaid payments for Type One hospitals and physicians consistent with the appropriations to compensate for limits on disproportionate share hospital (DSH) payments to Type One hospitals that the department would otherwise make. In particular, the department shall have the authority to amend the State Plan for Medical Assistance to increase physician supplemental payments for physician practice plans affiliated with Type One hospitals up to the average commercial rate as demonstrated by University of Virginia Health System and Virginia Commonwealth University Health System, to change reimbursement for Graduate Medical Education to cover costs for Type One hospitals, to case mix adjust the formula for indirect medical education reimbursement for HMO discharges for Type One hospitals and to increase the adjustment factor for Type One hospitals to 1.0. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

C.1. The estimated revenue for the Virginia Health Care Fund is $410,279,068 the first year and ~~$364,019,578~~ $408,419,831 the second year, to be used pursuant to the uses stated in § 32.1-367, Code of Virginia.

2. Notwithstanding § 32.1-366, Code of Virginia, the State Comptroller shall deposit 41.5 percent of the Commonwealth's allocation of the Master Settlement Agreement with tobacco product manufacturers, as defined in § 3.2-3100, Code of Virginia, to the Virginia Health Care Fund.

3. Notwithstanding any other provision of law, the State Comptroller shall deposit 50 percent of the Commonwealth's allocation of the Strategic Contribution Fund payment pursuant to the Master Settlement Agreement with tobacco product manufacturers into the Virginia Health Care Fund.

4. Notwithstanding any other provision of law, revenues deposited to the Virginia Health Care Fund shall only be used as the state share of Medicaid unless specifically authorized by this Act.

D. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law

or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director, Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the alternative method.

E. At least 30 days prior to the submission of any state plan or waiver amendment to the Centers for Medicare and Medicaid Services (CMS) or change in the contracts with managed care organizations that may impact the capitation rates, the Department of Medical Assistance Services (DMAS) shall provide written notification to the Director, Department of Planning and Budget as to the purpose of such change. This notice shall also assess whether the amendment will require any future state regulatory action or expenditure beyond that which is appropriated in this Act. If the Department of Planning and Budget, after review of the proposed change, determines that it may likely result in a material fiscal impact on the general fund, for which no legislative appropriation has been provided, then the Department of Medical Assistance Services shall delay the proposed change until the General Assembly authorizes such action.

F.1. The Director, Department of Medical Assistance Services shall seek the necessary waivers from the United States Department of Health and Human Services to authorize the Commonwealth to cover health care services and delivery systems, as may be permitted by Title XIX of the Social Security Act, which may provide less expensive alternatives to the State Plan for Medical Assistance.

2. At least 30 days prior to the submission of an application for any new waiver of Title XIX or Title XXI of the Social Security Act, the Department of Medical Assistance Services shall notify the Chairmen of the House Appropriations and Senate Finance Committees of such pending application and provide information on the purpose and justification for the waiver along with any fiscal impact. If the department receives an official letter from either Chairmen raising an objection about the waiver during the 30-day period, the department shall not submit the waiver application and shall request authority for such waiver as part of the normal legislative or budgetary process. If the department receives no objection, then the application may be submitted. Any waiver specifically authorized elsewhere in this item is not subject to this provision. Waiver renewals are not subject to the provisions of this paragraph.

3. The director shall promulgate such regulations as may be necessary to implement those programs which may be permitted by Titles XIX and XXI of the Social Security Act, in conformance with all requirements of the Administrative Process Act.

G. To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation, as needed, from Children's Health Insurance Program Delivery (44600) and Medical Assistance Services for Low Income Children (46600), if available, into this Item to be used as state match for federal Title XIX funds.

H. It is the intent of the General Assembly that the medically needy income limits for the Medicaid program are adjusted annually to account for changes in the Consumer Price Index.

I.1.a. As of July 1, 2017, the Community Living (CL) waiver authorizes 11,302 slots.

b. As of July 1, 2017, the Family and Individuals Support (FIS) waiver authorizes 1,762 slots.

c. As of July 1, 2017, the Building Independence (BI) waiver authorizes 360 slots.

2. Notwithstanding Chapters 228 and 303 of the 2009 Virginia Acts of Assembly and §32.1-323.2 of the Code of Virginia, the Department of Medical Assistance Services shall not add any slots to the Intellectual Disabilities Medicaid Waiver or the Individual and Family Developmental Disabilities and Support Medicaid Waiver other than those slots authorized specifically to support the Money Follows the Person Demonstration, individuals who are exiting state institutions, any slots authorized under Chapters 724 and 729 of the 2011 Virginia Acts of Assembly or §37.2-319, Code of Virginia, or authorized elsewhere in this Act.

3. Upon approval by the Centers for Medicare and Medicaid Services of the application for renewal of the CL, FIS and BI waivers, expeditious implementation of any revisions shall be deemed an emergency situation pursuant to § 2.2-4002 of the Administrative Process Act. Therefore, to meet this emergency situation, the Department of Medical Assistance Services shall promulgate emergency regulations to implement the provisions of this Act.

4.a. The Department of Medical Assistance Services (DMAS) shall amend the CL waiver to add 189 new slots effective July 1, 2018 and an additional 195 slots effective July 1, 2019. An amount estimated at $8,156,426 the first year and $16,537,788 the second year from the general fund and $8,156,426 the first year and $16,537,788 the second year from nongeneral funds is provided to cover the anticipated costs of the new slots. These estimated amounts assumes that 60 of the additional slots in each year may be filled with individuals transitioning from facility care. DMAS shall seek federal approval for necessary changes to the CL waiver to add the additional slots.

b. The Department of Medical Assistance Services (DMAS) shall amend the FIS waiver to add 414 new slots effective July 1, 2018 and an additional 481 slots effective July 1, 2019. An amount estimated at $6,347,617 the first year and $13,720,427 the second year from the general fund and $6,347,617 the first year and $13,720,427 the second year from nongeneral funds is provided to cover the anticipated costs of the new slots. DMAS shall seek federal approval for necessary changes to the FIS waiver to add the additional slots.

c. The Department of Medical Assistance Services (DMAS) shall amend the BI waiver to add 40 new slots effective July 1, 2019. An amount estimated at $257,680 the second year from the general fund and $257,680 the second year from nongeneral funds is provided to cover the anticipated costs of the new slots. DMAS shall seek federal approval for necessary changes to the BI waiver to add the additional slots.

d. In addition to the new slots added in 4.a. and b., the Department of Medical Assistance Services (DMAS) shall amend the CL waiver to add 25 new slots effective July 1, 2018 and an additional 25 slots effective July 1, 2019. These slots shall be held as reserve capacity by the Department of Behavioral Health and ~~Disability~~ Developmental Services (DBHDS) to address emergency situations. An amount estimated at $937,237 the first year and $1,874,475 the second year from the general fund and $937,237 the first year and $1,874,475 the second year from nongeneral funds is provided to cover the anticipated costs of the emergency slots. DMAS shall seek federal approval for necessary changes to the CL waiver to add the additional slots. Beginning July 1, 2018, DBHDS shall provide a quarterly report on the use of the emergency slot provided in this paragraph.

e. In addition to the new slots added in 4.b., the Department of Medical Assistance Services shall amend the FIS waiver to add 326 new slots effective July 1, 2019 to address the Priority One waiting list. An amount estimated at $5,000,000 from the general fund and $5,000,000 from nongeneral funds the second year is provided to cover the anticipated costs of the additional slots.

f. The Department of Medical Assistance Services, in collaboration with the Department of Behavioral Health and Disability Services, shall separately track all costs, placements and services associated with the additional slots added in paragraphs I.4.a., I.4.b., and I.4.C. of this Item. By October 1 of each year, the department shall report this data to the Chairmen of the House Appropriations and Senate Finance Committees and the Director, Department of Planning and Budget.

J. The Department of Medical Assistance Services and the Virginia Department of Health shall work with representatives of the dental community: to expand the availability and delivery of dental services to pediatric Medicaid recipients; to streamline the administrative processes; and to remove impediments to the efficient delivery of dental services and reimbursement thereof. The Department of Medical Assistance Services shall report its efforts to expand dental services to the Chairmen of the House Appropriations and Senate Finance Committees and the Director, Department of Planning and Budget by December 15 each year.

K. The Department of Medical Assistance Services shall not require dentists who agree to participate in the delivery of Medicaid pediatric dental care services, or services provided to enrollees in the Family Access to Medical Insurance Security (FAMIS) Plan or any variation of FAMIS, to also deliver services to subscribers enrolled in commercial plans of the managed care vendor, unless the dentist is a willing participant in the commercial managed care plan.

L. The Department of Medical Assistance Services shall implement continued enhancements to the drug utilization review (DUR) program. The department shall continue the Pharmacy Liaison Committee and the DUR Board. The department shall continue to work with the Pharmacy Liaison Committee, meeting at least semi-annually, to implement initiatives for the promotion of cost-effective services delivery as may be appropriate. The department shall solicit input from the Pharmacy Liaison Committee regarding pharmacy provisions in the development and enforcement of all managed care contracts. The department shall report on the Pharmacy Liaison Committee's and the DUR Board's activities to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than December 15 each year of the biennium.

M.1. The Department of Medical Assistance Services shall have the authority to seek federal approval of changes to its Medallion 4.0 waiver.

2. In order to conform the state regulations to the federally approved changes and to implement the provisions of this Act, the department shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this Act.

N.1. The Department of Medical Assistance Services shall develop and pursue cost saving strategies internally and with the cooperation of the Department of Social Services, Virginia Department of Health, Office of the Attorney General, Children's Services Act program, Department of Education, Department of Juvenile Justice, Department of Behavioral Health and Developmental Services, Department for Aging and Rehabilitative Services, Department of the Treasury, University of Virginia Health System, Virginia Commonwealth University Health System Authority, Department of Corrections, federally qualified health centers, local health departments, local school divisions, community service boards, local hospitals, and local governments, that focus on optimizing Medicaid claims and cost recoveries. Any revenues generated through these activities shall be transferred to the Virginia Health Care Fund to be used for the purposes specified in this Item.

2. The Department of Medical Assistance Services shall retain the savings necessary to reimburse a vendor for its efforts to implement paragraph. N.1. of this Item. However, prior to reimbursement, the department shall identify for the Secretary of Health and Human Resources each of the vendor's revenue maximization efforts and the manner in which each vendor would be reimbursed. No reimbursement shall be made to the vendor without the prior approval of the above plan by the Secretary.

O. The Department of Medical Assistance Services shall have the authority to pay contingency fee contractors, engaged in cost recovery activities, from the recoveries that are generated by those activities. All recoveries from these contractors shall be deposited to a special fund. After payment of the contingency fee any prior year recoveries shall be transferred to the Virginia Health Care Fund. The Director, Department of Medical Assistance Services, shall report to the Chairmen of the House Appropriations and Senate Finance Committees the increase in recoveries associated with this program as well as the areas of audit targeted by contractors by November 1 each year.

P. The Department of Medical Assistance Services in cooperation with the State Executive Council, shall provide semi-annual training to local Children's Services Act teams on the procedures for use of Medicaid for residential treatment and treatment foster care services, including, but not limited to, procedures for determining eligibility, billing, reimbursement, and related reporting requirements. The department shall include in this training information on the proper utilization of inpatient and outpatient mental health services as covered by the Medicaid State Plan.

Q.1. Notwithstanding § 32.1 331.12 et seq., Code of Virginia, the Department of Medical Assistance Services, in consultation with the Department of Behavioral Health and Developmental Services, shall amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a Preferred Drug List. In developing the modifications, the department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, and others, as appropriate.

2.a. The department shall utilize a Pharmacy and Therapeutics Committee to assist in the development and ongoing administration of the Preferred Drug List program. The Pharmacy and Therapeutics Committee shall be composed of 8 to 12 members, including the Commissioner, Department of Behavioral Health and Developmental Services, or his designee. Other members shall be selected or approved by the department. The membership shall include a ratio of physicians to pharmacists of 2:1 and the department shall ensure that at least one-half of the physicians and pharmacists are either direct providers or are employed with organizations that serve recipients for all segments of the Medicaid population. Physicians on the committee shall be licensed in Virginia, one of whom shall be a psychiatrist, and one of whom specializes in care for the aging. Pharmacists on the committee shall be licensed in Virginia, one of whom shall have clinical expertise in mental health drugs, and one of whom has clinical expertise in community-based mental health treatment. The Pharmacy and Therapeutics Committee shall recommend to the department (i) which therapeutic classes of drugs should be subject to the Preferred Drug List program and prior authorization requirements; (ii) specific drugs within each therapeutic class to be included on the preferred drug list; (iii) appropriate exclusions for medications, including atypical antipsychotics, used for the treatment of serious mental illnesses such as bipolar disorders, schizophrenia, and depression; (iv) appropriate exclusions for medications used for the treatment of brain disorders, cancer and HIV-related conditions; (v) appropriate exclusions for therapeutic classes in which there is only one drug in the therapeutic class or there is very low utilization, or for which it is not cost-effective to include in the Preferred Drug List program; and (vi) appropriate grandfather clauses when prior authorization would interfere with established complex drug regimens that have proven to be clinically effective. In developing and maintaining the preferred drug list, the cost effectiveness of any given drug shall be considered only after it is determined to be safe and clinically effective.

b. The Pharmacy and Therapeutics Committee shall schedule meetings at least semi-annually and may meet at other times at the discretion of the chairperson and members. At the meetings, the Pharmacy and Therapeutics committee shall review any drug in a class subject to the Preferred Drug List that is newly approved by the Federal Food and Drug Administration, provided there is at least thirty (30) days notice of such approval prior to the date of the quarterly meeting.

3. The department shall establish a process for acting on the recommendations made by the Pharmacy and Therapeutics Committee, including documentation of any decisions which deviate from the recommendations of the committee.

4. The Preferred Drug List program shall include provisions for (i) the dispensing of a 72-hour emergency supply of the prescribed drug when requested by a physician and a dispensing fee to be paid to the pharmacy for such supply; (ii) prior authorization decisions to be made within 24 hours and timely notification of the recipient and/or the prescribing physician of any delays or negative decisions; (iii) an expedited review process of denials by the department; and (iv) consumer and provider education, training and information regarding the Preferred Drug List prior to implementation, and ongoing communications to include computer access to information and multilingual material.

5. The Preferred Drug List program shall generate savings as determined by the department that are net of any administrative expenses to implement and administer the program.

6. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, to implement these changes, the Department of Medical Assistance Services shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this Act. With respect to such state plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code of Virginia, shall not apply. In addition, the department shall work with the Department of Behavioral Health and Development Services to consider utilizing a Preferred Drug List program for its non-Medicaid clients.

7. The Department of Medical Assistance Services shall (i) continually review utilization of behavioral health medications under the State Medicaid Program for Medicaid recipients; and (ii) ensure appropriate use of these medications according to federal Food and Drug Administration (FDA) approved indications and dosage levels. The department may also require retrospective clinical justification according to FDA approved indications and dosage levels for the use of multiple behavioral health drugs for a Medicaid patient. For individuals 18 years of age and younger who are prescribed three or more behavioral health drugs, the department may implement clinical edits that target inefficient, ineffective, or potentially harmful prescribing patterns in accordance with FDA-approved indications and dosage levels.

8. The Department of Medical Assistance Services shall ensure that in the process of developing the Preferred Drug List, the Pharmacy and Therapeutics Committee considers the value of including those prescription medications which improve drug regimen compliance, reduce medication errors, or decrease medication abuse through the use of medication delivery systems that include, but are not limited to, transdermal and injectable delivery systems.

R.1. The Department of Medical Assistance Services may amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a specialty drug program. In developing the modifications, the department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, the Pharmacy Liaison Committee, and others as appropriate.

2. In developing the specialty drug program to implement appropriate care management and control drug expenditures, the department shall contract with a vendor who will develop a methodology for the reimbursement and utilization through appropriate case management of specialty drugs and distribute the list of specialty drug rates, authorized drugs and utilization guidelines to medical and pharmacy providers in a timely manner prior to the implementation of the specialty drug program and publish the same on the department's website.

3. In the event that the Department of Medical Assistance Services contracts with a vendor, the department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

4. The department shall: (i) review, update and publish the list of authorized specialty drugs, utilization guidelines, and rates at least quarterly; (ii) implement and maintain a procedure to revise the list or modify specialty drug program utilization guidelines and rates, consistent with changes in the marketplace; and (iii) provide an administrative appeals procedure to allow dispensing or prescribing provider to contest the listed specialty drugs and rates.

5. The department shall have authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act to effect these provisions.

S.1. The Department of Medical Assistance Services shall reimburse school divisions who sign an agreement to provide administrative support to the Medicaid program and who provide documentation of administrative expenses related to the Medicaid program 50 percent of the Federal Financial Participation by the department.

2. The Department of Medical Assistance Services shall retain five percent of the Federal Financial Participation for reimbursement to school divisions for medical and transportation services.

T. In the event that the Department of Medical Assistance Services decides to contract for pharmaceutical benefit management services to administer, develop, manage, or implement Medicaid pharmacy benefits, the department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

U. The Department of Medical Assistance Services, in cooperation with the Department of Social Services' Division of Child Support Enforcement (DSCE), shall identify and report third party coverage where a medical support order has required a custodial or noncustodial parent to enroll a child in a health insurance plan. The Department of Medical Assistance Services shall also report to the DCSE third party information that has been identified through their third party identification processes for children handled by DCSE.

V.1. Notwithstanding the provisions of § 32.1-325.1:1, Code of Virginia, upon identifying that an overpayment for medical assistance services has been made to a provider, the Director, Department of Medical Assistance Services shall notify the provider of the amount of the overpayment. Such notification of overpayment shall be issued within the earlier of (i) four years after payment of the claim or other payment request, or (ii) four years after filing by the provider of the complete cost report as defined in the Department of Medical Assistance Services' regulations, or (iii) 15 months after filing by the provider of the final complete cost report as defined in the Department of Medical Assistance Services' regulations subsequent to sale of the facility or termination of the provider.

2. Notwithstanding the provisions of § 32.1-325.1, Code of Virginia, the director shall issue an informal fact-finding conference decision concerning provider reimbursement in accordance with the State Plan for Medical Assistance, the provisions of § 2.2-4019, Code of Virginia, and applicable federal law. The informal fact-finding conference decision shall be issued within 180 days of the receipt of the appeal request, except as provided herein. If the agency does not render an informal fact-finding conference decision within 180 days of the receipt of the appeal request or, in the case of a joint agreement to stay the appeal decision as detailed below, within the time remaining after the stay expires and the appeal timeframes resume, the decision is deemed to be in favor of the provider. An appeal of the director's informal fact-finding conference decision concerning provider reimbursement shall be heard in accordance with § 2.2-4020 of the Administrative Process Act (§ 2.2-4020 et seq.) and the State Plan for Medical Assistance provided for in § 32.1-325, Code of Virginia. The Department of Medical Assistance Services and the provider may jointly agree to stay the deadline for the informal appeal decision or for the formal appeal recommended decision of the Hearing Officer for a period of up to sixty (60) days to facilitate settlement discussions. If the parties reach a resolution as reflected by a written settlement agreement within the sixty-day period, then the stay shall be extended for such additional time as may be necessary for review and approval of the settlement agreement in accordance § 2.2-514 of the Code of Virginia. Once a final agency case decision has been made, the director shall undertake full recovery of such overpayment whether or not the provider disputes, in whole or in part, the informal fact-finding conference decision or the final agency

case decision. Interest charges on the unpaid balance of any overpayment shall accrue pursuant to § 32.1 313, Code of Virginia, from the date the Director's agency case decision becomes final.

W. Any hospital that was designated a Medicare-dependent small rural hospital, as defined in 42 U.S.C. §1395ww (d) (5) (G) (iv) prior to October 1, 2004, shall be designated a rural hospital pursuant to 42 U.S.C. §1395ww (d) (8) (ii) (II) on or after September 30, 2004.

X.1. The Department of Medical Assistance Services shall make programmatic changes in the provision of Intensive In-Home services and Community Mental Health services in order to ensure appropriate utilization and cost efficiency. The department shall consider all available options including, but not limited to, prior authorization, utilization review and provider qualifications. The Department of Medical Assistance Services shall promulgate regulations to implement these changes within 280 days or less from the enactment date of this Act.

2. The Department of Medical Assistance Services shall have the authority to implement prior authorization and utilization review for community-based mental health services for children and adults. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act.

Y. The Department of Medical Assistance Services shall delay the last quarterly payment of certain quarterly amounts paid to hospitals, from the end of each state fiscal year to the first quarter of the following year. Quarterly payments that shall be delayed from each June to each July shall be Disproportionate Share Hospital payments, Indirect Medical Education payments, and Direct Medical Education payments. The department shall have the authority to implement this reimbursement change effective upon passage of this Act, and prior to the completion of any regulatory process undertaken in order to effect such change.

Z. The Department of Medical Assistance Services shall make the monthly capitation payment to managed care organizations for the member months of each month in the first week of the subsequent month. The department shall have the authority to implement this reimbursement schedule change effective upon passage of this Act, and prior to the completion of any regulatory process undertaken in order to effect such change.

AA. In every June the remittance that would normally be paid to providers on the last remittance date of the state fiscal year shall be delayed one week longer than is normally the practice. This change shall apply to the remittances of Medicaid and FAMIS providers. This change does not apply to providers who are paid a per-month capitation payment. The department shall have the authority to implement this reimbursement change effective upon passage of this Act, and prior to the completion of any regulatory process undertaken in order to effect such change.

BB. The Department of Medical Assistance Services shall impose an assessment equal to 6.0 percent of revenue on all ICF-ID providers. The department shall determine procedures for collecting the assessment, including penalties for non-compliance. The department shall have the authority to adjust interim rates to cover new Medicaid costs as a result of this assessment.

CC. The Department of Medical Assistance Services shall not adjust rates or the rate ceiling of residential psychiatric facilities for inflation.

DD. The Department of Medical Assistance Services shall work with the Department of Behavioral Health and Developmental Services in consultation with the Virginia Association of Community Services Boards, the Virginia Network of Private Providers, the Virginia Coalition of Private Provider Associations, and the Association of Community Based Providers, to establish rates for the Intensive In-Home Service based on quality indicators and standards, such as the use of evidence-based practices.

EE. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to expand principles of care coordination to all geographic areas, populations, and services under programs administered by the department. The expansion of care coordination shall be based on the principles of shared financial risk such as shared savings, performance benchmarks or risk and improving the value of care delivered by measuring outcomes, enhancing quality, and monitoring expenditures. The department shall engage stakeholders, including beneficiaries, advocates, providers, and health plans, during the development and implementation of the care coordination projects. Implementation shall include specific requirements for data collection to ensure the ability to monitor utilization, quality of care, outcomes, costs, and cost savings. The department shall report by November 1 of each year to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees detailing implementation progress including, but not limited to, the number of individuals enrolled in care coordination, the geographic areas, populations and services affected and cost savings achieved. Unless otherwise delineated, the department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change. The intent of this Item may be achieved through several steps, including, but not limited to, the following:

a. In fulfillment of this Item, the department and the Department of Behavioral Health and Developmental Services, in collaboration with the Community Services Boards and in consultation with appropriate stakeholders, shall develop a blueprint for the development and implementation of a care coordination model for individuals in need of behavioral health services not currently provided through a managed care organization. The overall goal of the project is to improve the value of behavioral health services purchased by the Commonwealth of Virginia without compromising access to behavioral health services for vulnerable populations. Targeted case management services will continue to be the responsibility of the Community Services Boards. The blueprint shall: (i) describe the steps for development and implementation of the program model (s) including funding, populations served, services provided, timeframe for program implementation, and education of clients and providers; (ii) set the criteria for medical necessity for community mental health rehabilitation services; and (iii) include the following principles:

1. Improves value so that there is better access to care while improving equity.

2. Engages consumers as informed and responsible partners from enrollment to care delivery.

3. Provides consumer protections with respect to choice of providers and plans of care.

4. Improves satisfaction among providers and provides technical assistance and incentives for quality improvement.

5. Improves satisfaction among consumers by including consumer representatives on provider panels for the development of policy and planning decisions.

6. Improves quality, individual safety, health outcomes, and efficiency.

7. Develops direct linkages between medical and behavioral services in order to make it easier for consumers to obtain timely access to care and services, which could include up to full integration.

8. Builds upon current best practices in the delivery of behavioral health services.

9. Accounts for local circumstances and reflects familiarity with the community where services are provided.

10. Develops service capacity and a payment system that reduces the need for involuntary commitments and prevents default (or diversion) to state hospitals.

11. Reduces and improves the interface of vulnerable populations with local law enforcement, courts, jails, and detention centers.

12. Supports the responsibilities defined in the Code of Virginia relating to Community Services Boards and Behavioral Health Authorities.

13. Promotes availability of access to vital supports such as housing and supported employment.

14. Achieves cost savings through decreasing avoidable episodes of care and hospitalizations, strengthening the discharge planning process, improving adherence to medication regimens, and utilizing community alternatives to hospitalizations and institutionalization.

15. Simplifies the administration of acute psychiatric, community mental health rehabilitation, and medical health services for the coordinating entity, providers, and consumers.

16. Requires standardized data collection, outcome measures, customer satisfaction surveys, and reports to track costs, utilization of services, and outcomes. Performance data should be explicit, benchmarked, standardized, publicly available, and validated.

17. Provides actionable data and feedback to providers.

18. In accordance with federal and state regulations, includes provisions for effective and timely grievances and appeals for consumers.

b. The department may seek the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to develop and implement a care coordination model, that is consistent with the principles in Paragraph a, for individuals in need of behavioral health services to be effective July 1, 2019. This model may be applied to individuals on a mandatory basis. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this Act.

FF. The Department of Medical Assistance Services shall make programmatic changes in the provision of Residential Treatment Facility (Level C) and Levels A and B residential services (group homes) for children with serious emotional disturbances in order ensure appropriate utilization and cost efficiency. The department shall consider all available options including, but not limited to, prior authorization, utilization review and provider qualifications. The department shall have authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this Act.

GG. The Department of Medical Assistance Services, in consultation with the appropriate stakeholders, shall seek federal authority to implement a pricing methodology to modify or replace the current pricing methodology for pharmaceutical products as defined in 13 VAC 30- 80-40, including the dispensing fee, with an alternative methodology that is budget neutral or that creates a cost savings. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

HH. The Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance to enroll and reimburse freestanding birthing centers accredited by the Commission for the Accreditation of Birthing Centers. Reimbursement shall be based on the Enhanced Ambulatory Patient Group methodology applied in a manner similar to the reimbursement methodology for ambulatory surgery centers. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

II. The department may seek federal authority through amendments to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to develop and implement programmatic and system changes that allow expedited enrollment of Medicaid eligible recipients into Medicaid managed care, most importantly for pregnant women. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this Act.

JJ.1. The Department of Medical Assistance Services, related to appeals administered by and for the department, shall have authority to amend regulations to:

i. Utilize the method of transmittal of documentation to include email, fax, courier, and electronic transmission.

ii. Clarify that the day of delivery ends at normal business hours of 5:00 pm.

iii. Eliminate an automatic dismissal against DMAS for alleged deficiencies in the case summary that do not relate to DMAS's obligation to substantively address all issues specified in the provider's written notice of informal appeal. A process shall be added, by which the provider shall file with the informal appeals agent within 12 calendar days of the provider's receipt of the DMAS case summary, a written notice that specifies any such alleged deficiencies that the provider knows or reasonably should know exist. DMAS shall have 12 calendar days after receipt of the provider's timely written notification to address or cure any of said alleged deficiencies. The current requirement that the case summary address each adjustment, patient, service date, or other disputed matter identified in the provider's written notice of informal appeal in the detail set forth in the current regulation shall remain in force and effect, and failure to file a written case summary with the Appeals Division in the detail specified within 30 days of the filing of the provider's written notice of informal appeal shall result in dismissal in favor of the provider on those issues not addressed by DMAS.

iv. Clarify that appeals remanded to the informal appeal level via Final Agency Decision or court order shall reset the timetable under DMAS' appeals regulations to start running from the date of the remand.

v. Clarify the department's authority to administratively dismiss untimely filed appeal requests.

vi. Clarify the time requirement for commencement of the formal administrative hearing.

vii. Clarify that settlement proposals may be tendered during the appeal process and that approval is subject to the requirements of § 2.2-514 of the Code of Virginia. The amended regulations shall develop a framework for the submission of the settlement proposal and state that the Department of Medical Assistance Services and the provider may jointly agree to stay the deadline for the informal appeal decision or for the formal appeal recommended decision of the Hearing Officer for a period of up to sixty (60) days to facilitate settlement discussions. If the parties reach a resolution as reflected by a written settlement agreement within the sixty-day period, then the stay shall be extended for such additional time as may be necessary for review and approval of the settlement agreement in accordance with law.

2. The Department of Medical Assistance Services shall have authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this Act.

KK. It is the intent of the General Assembly that the implementation and administration of the care coordination contract for behavioral health services be conducted in a manner that insures system integrity and engages private providers in the independent assessment process. In addition, it is the intent that in the provision of services that ethical and professional conflicts are avoided and that sound clinical decisions are made in the best interests of the individuals receiving behavioral health services. As part of this process, the department shall monitor the performance of the contract to ensure that these principles are met and that stakeholders are involved in the assessment, approval, provision, and use of behavioral health services provided as a result of this contract.

LL. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to allow for delivery of notices of program reimbursement or other items referred to in the regulations related to provider appeals by electronic means consistent with the Uniform Electronic Transactions Act. The department shall implement this change effective July 1, 2013, and prior to completion of any regulatory process undertaken in order to effect such changes.

MM.1. The department shall amend the State Plan for Medical Assistance to reimburse the price-based operating rate rather than the transition operating rate to any nursing facility whose licensed bed capacity decreased by at least 30 beds after 2011 and whose occupancy increased from less than 70 percent in 2011 to more than 80 percent in 2013. The department shall have the authority to implement this reimbursement change effective July 1, 2015, and prior to completion of any regulatory process in order to effect such change.

2. Effective July 1, 2017, the department shall amend the State Plan for Medical Assistance to increase the direct and indirect operating rates under the nursing facility price based reimbursement methodology by 15 percent for nursing facilities where at least 80 percent of the resident population have one or more of the following diagnoses: quadriplegia, traumatic brain injury, multiple sclerosis, paraplegia, or cerebral palsy. In addition, a qualifying facility must have at least 90 percent Medicaid utilization and a case mix index of 1.15 or higher in fiscal year 2014. The department shall have the authority to implement this reimbursement methodology change for rates on or after July 1, 2017, and prior to completion of any regulatory process in order to effect such change.

3. Effective July 1, 2017 through June 30, 2020, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to pay nursing facilities located in the former Danville Metropolitan Statistical Area (MSA) the operating rates calculated for the Other MSA peer group. For purposes of calculating rates under the rebasing effective July 1, 2017, the department shall use the peer groups based on the existing regulations. For future rebasings, the department shall permanently move these facilities to the Other MSA peer group. The department shall have the authority to implement this reimbursement change effective July 1, 2017 and prior to completion of any regulatory process undertaken in order to effect such change.

NN. The Department of Medical Assistance Services shall amend its State Plan under Title XIX of the Social Security Act to implement reasonable restrictions on the amount of incurred dental expenses allowed as a deduction from income for nursing facility residents. Such limitations shall include: (i) that routine exams and x-rays, and dental cleaning shall be limited to twice yearly: (ii) full mouth x-rays shall be limited to once every three years: and (iii) deductions for extractions and fillings shall be permitted only if medically necessary as determined by the department.

OO. Notwithstanding §32.1-325, et seq. and §32.1-351, et seq. of the Code of Virginia, and effective upon the availability of subsidized private health insurance offered through a Health Benefits Exchange in Virginia as articulated through the federal Patient Protection and Affordable Care Act (PPACA), the Department of Medical Assistance Services shall eliminate, to the extent not prohibited under federal law, Medicaid Plan First and FAMIS Moms program offerings to populations eligible for and enrolled in said subsidized coverage in order to remove disincentives for subsidized private healthcare coverage through publicly-offered alternatives. To ensure, to the extent feasible, a smooth transition from public coverage, DMAS shall endeavor to phase out such coverage for existing enrollees once subsidized private insurance is available through a Health Benefits Exchange in Virginia. The department shall implement any necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

PP. The Department of Medical Assistance Services shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any waivers thereof, to implement requirements of the federal Patient Protection and Affordable Care Act (PPACA) as it pertains to implementation of Medicaid and CHIP eligibility determination and case management standards and practices, including the Modified Adjusted Gross Income (MAGI) methodology. The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

QQ. Effective July 1, 2013, the Department of Medical Assistance Services shall establish a Medicaid Physician and Managed Care Liaison Committee including, but not limited to, representatives from the following organizations: the Virginia Academy of Family Physicians; the American Academy of Pediatricians - Virginia Chapter; the Virginia College of Emergency Physicians; the American College of Obstetrics and Gynecology -Virginia Section; Virginia Chapter, American College of Radiology; the Psychiatric Society of Virginia; the Virginia Medical Group Management Association; and the Medical Society of Virginia. The committee shall also include representatives from each of the department's contracted managed care organizations and a representative from the Virginia Association of Health Plans. The committee will work with the department to investigate the implementation of quality, cost-effective health care initiatives, to identify means to increase provider participation in the Medicaid program, to remove administrative obstacles to quality, cost-effective patient care, and to address other matters as raised by the department or members of the committee. The Committee shall establish an Emergency Department Care Coordination work group comprised of representatives from the Committee, including the Virginia College of Emergency Physicians, the Medical Society of Virginia, the Virginia Hospital and Healthcare Association, the Virginia Academy of Family Physicians and the Virginia Association of Health Plans to review the following issues: (i) how to improve coordination of care across provider types of Medicaid "super utilizers"; (ii) the impact of primary care provider incentive funding on improved interoperability between hospital and provider systems; and (iii) methods for formalizing a statewide emergency department collaboration to improve care and treatment of Medicaid recipients and increase cost efficiency in the Medicaid program, including recognized best practices for emergency departments. The committee shall meet semi-annually, or more frequently if requested by the department or members of the committee. The department, in cooperation with the committee, shall report on the committee's activities annually to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than October 1 each year.

RR. The Department of Medical Assistance Services shall realign the billable activities paid for individual supported employment provided under the Medicaid home- and community-based waivers to be consistent with job development and job placement services provided through employment services organizations that are reimbursed by the Department for Aging and Rehabilitative Services. The department shall have the authority to implement this reimbursement change effective July 1, 2013, and prior to the completion of any regulatory process undertaken in order to effect such change.

SS.1. The Department of Medical Assistance Services shall seek federal authority through any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to implement a comprehensive value-driven, market-based reform of the Virginia Medicaid/FAMIS programs.

2. The department is authorized to contract with qualified health plans to offer recipients a Medicaid benefit package adhering to these principles. Any coordination of non-traditional behavioral health services covered under contract with qualified health plans or through other means shall adhere to the principles outlined in paragraph EE.a. This reformed service delivery model shall be mandatory, to the extent allowed under the relevant authority granted by the federal government and shall, at a minimum, include (i) limited high-

performing provider networks and medical/health homes; (ii) financial incentives for high quality outcomes and alternative payment methods; (iii) improvements to encounter data submission, reporting, and oversight; (iv) standardization of administrative and other processes for providers; and (v) support of the health information exchange.

3. The Department of Medical Assistance Services shall seek reforms to include all remaining Medicaid populations and services, including long-term care and home- and community-based waiver services into cost-effective, managed and coordinated delivery systems. The department shall begin designing the process and obtaining federal authority to transition all remaining Medicaid beneficiaries into a coordinated delivery system. DMAS shall promulgate regulations to implement these provisions to be effective within 280 days of its enactment. The department may implement any changes necessary to implement these provisions prior to the promulgation of regulations undertaken in order to effect such changes.

4.a. Notwithstanding § 30-347, Code of Virginia, or any other provision of law, no later than 45 days upon the passage of House Bill 5001, the Department of Medical Assistance Services shall have the authority to (1) amend the State Plan for Medical Assistance under Title XIX of the Social Security Act, and any waivers thereof, to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y) (1) [2010] of the Patient Protection and Affordable Care Act and (2) begin the process of implementing a § 1115 demonstration project to transform the Medicaid program for newly eligible individuals pursuant to the provisions of 4.a.(l) and eligible individuals enrolled in the existing Medicaid program. No later than 150 days from the passage of House Bill 5001, DMAS shall submit the § 1115 demonstration waiver application to CMS for approval. If the State Plan amendments are affirmatively approved by CMS prior to the submission of the waiver, Medicaid coverage for newly eligible individuals may be implemented. If the State Plan amendment becomes effective without affirmative action by CMS, coverage may begin upon submission of the completed § 1115 demonstration waiver application, per CMS notification, but no later than January 1, 2019. If the demonstration waiver cannot be completed by 150 days, despite a good faith effort to complete the application, the department may request an extension from the Chairmen of the House Appropriations and Senate Finance Committees. The department shall provide updates on the progress of the State Plan amendments and demonstration waiver applications to the Chairmen of the House Appropriations and Senate Finance Committees, or their designees, upon request, and provide for participation in discussions with CMS staff. The department shall respond to all requests for information from CMS on the State Plan amendments and demonstration waiver applications in a timely manner.

b. At least 10 days prior to the submission of the application for the waiver of Title XIX of the Social Security Act, the department shall notify the Chairmen of the House Appropriations and Senate Finance Committees of such pending application and provide a copy of the application. If the department receives an official letter from either Chairman raising an objection about the waiver during the 10-day period, the department shall make all reasonable attempts to address the objection and modify the waiver(s). If the department receives no objection, then the application may be submitted. Any waiver specifically authorized elsewhere in this item is not subject to this provision. Waiver renewals are not subject to the provisions of this paragraph.

c. The Department of Medical Assistance Services shall include provisions to make referrals to job training, education and job placement assistance for all unemployed, able-bodied adult enrollees as allowed under current federal law or regulations through the State Plan amendments, contracts, or other policy changes. DMAS shall also include provisions to foster personal responsibility and prepare newly eligible enrollees for participation in commercial health insurance plans to include use of private health plans, premium support for employer-sponsored insurance, health and wellness accounts, appropriate utilization of hospital emergency room services, healthy behavior incentives, and enhanced fraud prevention efforts, among others through the State Plan amendments, contracts, or other policy changes.

d. The demonstration project shall be designed to empower individuals to improve their health and well-being and gain employer sponsored coverage or other commercial health insurance coverage, while simultaneously ensuring the program's long-term fiscal sustainability. The demonstration project shall include the following elements in the design:

(i) two pathways for eligible individuals with incomes between 100 percent and 138 percent of the federal poverty level, including income disregards, to obtain health care coverage: enrollment in an existing Medicaid managed care plan, or premium assistance for the purchase of employer-sponsored health insurance coverage if cost effective. The plans will provide a comprehensive benefit package consistent with private market plans, compliant with all mandated essential health benefits, and inclusive of current Medicaid covered mental health and addiction recovery and treatment services. The demonstration shall include (1) the development of a health and wellness account for eligible individuals, comprised of participant contributions and state funds to be used to fund the health insurance premiums and to ensure funds are available for the enrollee to cover out-of-pocket expenses for the deductible, with the ability to roll over the funds from the account into succeeding years if not fully used. The monthly premium amount for the enrollee shall be set on a sliding scale based on monthly income, not to exceed two percent of monthly income, nor be less than $1 per month; (2) provisions for demonstration coverage to begin on the first day of the month following receipt of the premium payment or enrollment due to treatment of an acute illness; (3) provisions for institution of a grace period for premium payment, followed by a waiting period before re-enrollment if the premium is not paid by the participant or if the participant does not maintain continuous coverage; and (4) provisions to recover premium payments owed to the Commonwealth through debt set-off collections;

(ii) provisions to enroll newly eligible individuals with incomes between 0 and 100 percent of the federal poverty level, including income disregards, in existing Medicaid managed care plans with existing Medicaid benefits or in employer-sponsored health insurance plans, if cost effective. Such newly eligible enrollees shall be subject to existing Medicaid cost sharing provisions;

(iii) cost-sharing for eligible enrollees with incomes between 100 percent and 138 percent of the federal poverty level, including income disregards, designed to promote healthy behaviors such as the avoidance of tobacco use, and to encourage personal responsibility and accountability related to the utilization of health care services such as the appropriate use of emergency room services. However, such individuals who also meet the exemptions listed in (iv) shall not be subject to premium and copayment requirements more stringent than existing Medicaid law or regulations. Enrollees who comply with provisions of the demonstration program, including healthy behavior provisions, may receive a decrease in their monthly premiums and copayments, not to exceed 50 percent.

(iv) the establishment of the Training, Education, Employment and Opportunity Program (TEEOP) for every able-bodied, working-age adult enrolled in the Medicaid program to enable enrollees to increase their health and well-being through community engagement leading to self-sufficiency. The TEEOP program shall not apply to: (1) children under the age of 18 or individuals under the age of 19 who are participating in secondary education; (2) individuals age 65 years and older; (3) individuals who qualify for medical assistance services due to blindness or disability, including individuals who receive services pursuant to a § 1915 waiver; (4) individuals residing in institutions; (5) individuals determined to be medically frail; (6) individuals diagnosed with serious mental illness; (7) pregnant and postpartum women; (8) former foster children under the age of 26; (9) individuals who are the primary caregiver for a dependent, including a dependent child or adult dependent with a disability; and (10) individuals who already meet the work requirements of the TANF or SNAP programs. The TEEOP shall comply with guidance from CMS regarding such programs and may include other exemptions that may be necessary to achieve the TEEOP's goals of community engagement and improved health outcomes that are approved by CMS.

The TEEOP shall include provisions for gradually escalating participation in training, education, employment and community engagement opportunities through the program as follows:

a. beginning three months after enrollment, at least 20 hours per month;

b. beginning six months after enrollment, at least 40 hours per month;

c. beginning nine months after enrollment, at least 60 hours per month; and

d. beginning 12 months after enrollment, at least 80 hours per month;

The TEEOP shall also include provisions for satisfaction of the requirement for participation in training, education, employment and community engagement opportunities through participation in job skills training; job search activities in conformity with Virginia Employment and Commission guidelines; education related to employment; general education, including participation in a program of preparation for the General Education Development (GED) certification examination or community college courses leading to industry certifications or a STEM-H related degree or credential; vocational education and training; subsidized or unsubsidized employment; community work experience programs, community service or public service, excluding political activities, that can reasonably improve work readiness; or caregiving services for a non-dependent relative or other person with a chronic, disabling health condition. The department may waive the requirement for participation in employment in areas of the Commonwealth with unemployment rates equal to or greater than 150 percent of the statewide average; however, requirements related to training, education and other community engagement opportunities shall not be waived in any area of the Commonwealth.

The TEEOP shall work with Virginia Workforce Centers or One-Stops to provide services to Medicaid enrollees. Such services shall include career services for program enrollees, services to link enrollees with industry certification and credentialing programs, including the New Economy Workforce Credential Grant Program, and individualized case management services.

The TEEOP shall, to the extent allowed under federal law, utilize federal and state funding available through the Centers for Medicare and Medicaid Services, Temporary Assistance for Needy Families program, the Supplemental Nutrition Assistance Program, the Workforce Innovation and Opportunity Act, and other state and federal workforce development programs to support program enrollees.

Unless exempt, enrollees shall be ineligible to receive Medicaid benefits if, during any three months of the 12-month period beginning on the first day of enrollment, they fail to meet the TEEOP requirements and they will not be permitted to re-enroll until the end of such 12-month period, unless the failure to comply or report compliance was the result of a catastrophic event or circumstances beyond the beneficiary's control. However, enrollees shall be eligible to re-enroll in the program within such 12-month period upon demonstration of compliance with the TEEOP requirements.

(v) monitoring and oversight of the use of health care services to ensure appropriate utilization;

(vi) The Department of Medical Assistance Services shall develop a supportive employment and housing benefit targeted to high risk Medicaid beneficiaries with mental illness, substance use disorder, or other complex, chronic conditions who need intensive, ongoing support to obtain and maintain employment and stable housing.

e. The State Plan amendment and the demonstration waiver program shall include (i) systems for determining eligibility for participation in the program, (ii) provisions for disenrollment if federal funding is reduced or terminated, and (iii) provisions for monitoring, evaluating, and assessing the effectiveness of the waiver program in improving the health and wellness of program participants and furthering the objectives of the Medicaid program.

f. The department shall have the authority to promulgate emergency regulations to implement these changes within 280 days or less from the enactment date of House Bill 5001. The department shall have the authority to implement these changes prior to the completion of any regulatory process undertake in order to effect such changes.

5. In the event that the increased federal medical assistance percentages for newly eligible individuals included in 42 U.S.C. § 1396d(y) (1) [2010] of the PPACA are modified through federal law or regulation from the methodology in effect on January 1, 2014, resulting in a reduction in federal medical assistance as determined by the department in consultation with the Department of Planning and Budget, the Department of Medical Assistance Services shall disenroll and eliminate coverage for individuals who obtained coverage through 42 U.S.C. § 1396d(y)(l) [2010] of the PPACA. The disenrollment process shall include written notification to affected Medicaid beneficiaries, Medicaid managed care plans, and other providers that coverage will cease as soon as allowable under federal law following the date the department is notified of a reduction in Federal Medical Assistance Percentage.

TT. Effective July 1, 2014, the Department of Medical Assistance Services shall replace the AP-DRG grouper with the APR-DRG grouper for hospital inpatient reimbursement. The department shall develop budget neutral case rates and Virginia-specific weights for the APR-DRG grouper based on the FY 2011 base year. The department shall phase in the APR-DRG weights by blending in 50 percent of the full APR-DRG weights with 50 percent of FY 2014 AP-DRG weights in the first year and 75 percent of the full APR-DRG weights with 25 percent of the FY 2014 AP-DRG weights in the second year for each APR-DRG group and severity. FY 2014 AP-DRG weights shall be calculated as a weighted average FY 2014 AP-DRG weight for all claims in the base year that group to each APR-DRG group and severity. Full APR-DRG weights shall be used in the third year and succeeding years for each APR-DRG group and severity. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to completion of any regulatory process in order to effect such changes.

UU.1. Effective July 1, 2014, the Department of Medical Assistance Services shall replace the current Disproportionate Share Hospital (DSH) methodology with the following methodology:

a) DSH eligible hospitals must have a total Medicaid Inpatient Utilization Rate equal to 14 percent or higher in the base year using Medicaid days eligible for Medicare DSH or a Low Income Utilization Rate in excess of 25 percent and meet other federal requirements. Eligibility for out of state cost reporting hospitals shall be based on total Medicaid utilization or on total Medicaid NICU utilization equal to 14 percent or higher.

b) Each hospital's DSH payment shall be equal to the DSH per diem multiplied by each hospital's eligible DSH days in a base year. Days reported in provider fiscal years in state FY 2011 will be the base year for FY 2015 prospective DSH payments. DSH will be recalculated annually with an updated base year. DSH payments are subject to applicable federal limits.

c) Eligible DSH days are the sum of all Medicaid inpatient acute, psychiatric and rehabilitation days above 14 percent for each DSH hospital subject to special rules for out of state cost reporting hospitals. Eligible DSH days for out of state cost reporting hospitals shall be the higher of the number of eligible days based on the calculation in the first sentence times Virginia Medicaid utilization (Virginia Medicaid days as a percent of total Medicaid days) or the Medicaid NICU days above 14 percent times Virginia NICU Medicaid utilization (Virginia NICU Medicaid days as a percent of total NICU Medicaid days). Eligible DSH days for out of state cost reporting hospitals who qualify for DSH but who have less than 12 percent Virginia Medicaid utilization shall be 50 percent of the days that would have otherwise been eligible DSH days.

d) Additional eligible DSH days are days that exceed 28 percent Medicaid utilization for Virginia Type Two hospitals (excluding Children's Hospital of the Kings Daughters).

e) The DSH per diem shall be calculated in the following manner:

a. The DSH per diem for Type Two hospitals is calculated by dividing the total Type Two DSH allocation by the sum of eligible DSH days for all Type Two DSH hospitals. For purposes of DSH, Type Two hospitals do not include Children's Hospital of the Kings Daughters (CHKD) or any hospital whose reimbursement exceeds its federal uncompensated care cost limit. The Type Two Hospital DSH allocation shall equal the amount of DSH paid to Type Two hospitals in state FY 2014 increased annually by the percent change in the federal allotment, including any reductions as a result of the Affordable Care Act, adjusted for the state fiscal year.

b. The DSH per diem for State Inpatient Psychiatric Hospitals is calculated by dividing the total State Inpatient Psychiatric Hospital DSH allocation by the sum of eligible DSH days. The State Inpatient Psychiatric Hospital DSH allocation shall equal the amount of DSH paid in state FY 2013 increased annually by the percent change in the federal allotment, including any reductions as a result of the Affordable Care Act, adjusted for the state fiscal year.

c. The DSH per diem for CHKD shall be three times the DSH per diem for Type Two hospitals.

d. The DSH per diem for Type One hospitals shall be 17 times the DSH per diem for Type Two hospitals.

2. Each year, the department shall determine how much Type Two DSH has been reduced as a result of the Affordable Care Act and adjust the percent of cost reimbursed for outpatient hospital reimbursement.

3. The department shall convene the Hospital Payment Policy Advisory Council at least once a year to consider additional changes to the DSH methodology.

4. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to completion of any regulatory process in order to effect such changes.

VV. The Department of Medical Assistance Services shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any waivers thereof, to implement requirements of the federal Patient Protection and Affordable Care Act (PPACA), P.1. 111-148, as it pertains to implementation of Medicaid and CHIP eligibility determination and case management standards and practices, including the Modified Adjusted Gross Income (MAGI) methodology and, notwithstanding the requirements of Code of Virginia §2.2-4000, et seq., the process for administrative appeals of MAGI-related eligibility determinations. The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.

WW.1. Notwithstanding § 32.1-330 of the Code of Virginia, the Department of Medical Assistance Services shall improve the preadmission screening process for individuals who will be eligible for long-term care services, as defined in the state plan for medical assistance. The community-based screening team shall consist of a licensed health care professional and a social worker who are employees or contractors of the Department of Health or the local department of social services, or other assessors contracted by the department. The department shall not contract with any entity for whom there exists a conflict of interest. For community-based screening for children, the screening shall be performed by an individual or entity with whom the department has entered into a contract for the performance of such screenings.

2. The department shall track and monitor all requests for screenings and report on those screenings that have not been completed within 30 days of an individual's request for screening. The screening teams and contracted entities shall use the reimbursement and tracking mechanisms established by the department.

3. The Department of Medical Assistance Services shall promulgate regulations to implement these provisions to be effective within 280 days of its enactment. The department may implement any changes necessary to implement these provisions prior to the promulgation of regulations undertaken in order to effect such changes.

XX. 1.a. There is hereby appropriated sum-sufficient nongeneral funds for the Department of Medical Assistance Services (DMAS) to pay the state share of supplemental payments for qualifying private hospital partners of Type One hospitals (consisting of state-owned teaching hospitals) as provided in the State Plan for Medical Assistance Services. Qualifying private hospitals shall consist of any hospital currently enrolled as a Virginia Medicaid provider and owned or operated by a private entity in which a Type One hospital has a non-majority interest. The supplemental payments shall be based upon the reimbursement methodology established for such payments in Attachments 4.19-A and 4.19-B of the State Plan for Medical Assistance Services. DMAS shall enter into a transfer agreement with any Type One hospital whose private hospital partner qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments to the private hospital partner. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment approved by the Centers for Medicare and Medicaid Services (CMS) and prior to completion of any regulatory process in order to effect such changes.

b. The department shall adjust capitation payments to Medicaid managed care organizations for the purpose of securing access to Medicaid hospital services for the qualifying private hospital partners of Type One hospitals (consisting of state-owned teaching hospitals). The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments and provider payment requirements. DMAS shall enter into a transfer agreement with any Type One hospital whose private hospital partner qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments to the private hospital partner. The department shall have the authority to implement these reimbursement changes consistent with the effective date approved by the Centers for Medicare and Medicaid Services (CMS). No payment shall be made without approval from CMS.

2.a. The Department of Medical Assistance Services shall promulgate regulations to make supplemental payments to Medicaid physician providers with a medical school located in Eastern Virginia that is a political subdivision of the Commonwealth. The amount of the supplemental payment shall be based on the difference between the average commercial rate approved by CMS and the payments otherwise made to physicians. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment approved by CMS and prior to completion of any regulatory process in order to effect such changes.

b. The department shall increase payments to Medicaid managed care organizations for the purpose of securing access to Medicaid physician services in Eastern Virginia, through higher rates to physicians affiliated with a medical school located in Eastern Virginia that is a political subdivision of the Commonwealth subject to applicable limits. The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments, and provider payment requirements, subject to approval by CMS. No payment shall be made without approval from CMS.

c. Funding for the state share for these Medicaid payments is authorized in Item 244.

3.a. The Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance Services (State Plan) to implement a supplemental Medicaid payment for local government-owned nursing homes. The total supplemental Medicaid payment for local government-owned nursing homes shall be based on the difference between the Upper Payment Limit of 42 CFR §447.272 as approved by CMS and all other Medicaid payments subject to such limit made to such nursing homes. There is hereby appropriated sum-sufficient funds for DMAS to pay the state share of the supplemental Medicaid payment hereunder. However, DMAS shall not submit such State Plan amendment to CMS until it has entered into an intergovernmental

agreement with eligible local government-owned nursing homes or the local government itself which requires them to transfer funds to DMAS for use as the state share for the supplemental Medicaid payment each nursing home is entitled to and to represent that each has the authority to transfer funds to DMAS and that the funds used will comply with federal law for use as the state share for the supplemental Medicaid payment. If a local government-owned nursing home or the local government itself is unable to comply with the intergovernmental agreement, DMAS shall have the authority to modify the State Plan. The department shall have the authority to implement the reimbursement change consistent with the effective date in the State Plan amendment approved by CMS and prior to the completion of any regulatory process undertaken in order to effect such change.

b. If by June 30, 2017, the Department of Medical Assistance Services has not secured approval from the Centers for Medicare and Medicaid Services to use a minimum fee schedule pursuant to 42 C.F.R. § 438.6(c)(1)(iii) for local government-owned nursing homes participating in Commonwealth Coordinated Care Plus (CCC Plus) at the same level as and in lieu of the supplemental Medicaid payments authorized in Section XX.3.a., then DMAS shall: (i) exclude Medicaid recipients who elect to receive nursing home services in local government-owned nursing homes from CCC Plus; (ii) pay for such excluded recipient's nursing home services on a fee-for-service basis, including the related supplemental Medicaid payments as authorized herein; and (iii) prohibit CCC Plus contracted health plans from in any way limiting Medicaid recipients from electing to receive nursing home services from local government-owned nursing homes. The department may include in CCC Plus Medicaid recipients who elect to receive nursing home services in local government-owned nursing homes in the future when it has secured federal CMS approval to use a minimum fee schedule as described above.

4. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance Services to implement a supplemental payment for clinic services furnished by the Virginia Department of Health (VDH) effective July 1, 2015. 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 Medicaid payments. VDH may transfer general fund to the department from funds already appropriated to VDH to cover the non-federal share of the Medicaid payments. The department shall have the authority to implement the reimbursement change effective July 1, 2015, and prior to the completion of any regulatory process undertaken in order to effect such changes.

5. 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 with more than 50 percent Medicaid inpatient utilization in fiscal year 2014 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, 2016, and prior to the completion of any regulatory process undertaken in order to effect such change.

6.a. The Department of Medical Assistance Services shall promulgate regulations to make supplemental Medicaid payments to the primary teaching hospitals affiliated with a Liaison Committee on Medical Education (LCME) accredited medical school located in Planning District 23 that is a political subdivision of the Commonwealth and an LCME accredited medical school located in Planning District 5 that has a partnership with a public university. The amount of the supplemental payment shall be based on the reimbursement methodology established for such payments in Attachments 4.19-A and 4.19-B of the State Plan for Medical Assistance and/or the department's contracts with managed care organizations. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment or the managed care contracts approved by the Centers for Medicare and Medicaid Services (CMS) and prior to completion of any regulatory process in order to effect such changes. No payment shall be made without approval from CMS.

b. Funding for the state share for these Medicaid payments is authorized in Item 244 and Item 4-5.03.

c. Payments authorized in this subsection shall sunset after the effective date of a statewide supplemental payment for private acute care hospitals authorized in Item 3-5.16. For purposes of the upper payment limit, the department shall prorate the upper payment limit if the sunset date is mid-fiscal year. The department shall have the authority to implement this change prior to the completion of any regulatory process undertaken in order to effect such change.

7. The department shall amend the State plan for Medical Assistance to implement a supplemental inpatient and outpatient payment for Chesapeake Regional Hospital based on the difference between reimbursement with rates using an adjustment factor of 100% minus current authorized reimbursement subject to the inpatient and outpatient Upper Payment Limits for non-state government owned hospitals. The department shall include in its contracts with managed care organizations a minimum fee schedule for Chesapeake Regional Hospital consistent with rates using an adjustment factor of 100%. The department shall adjust capitation payments to Medicaid managed care organizations to fund this minimum fee schedule. Both the contract changes and capitation rate adjustments shall be compliant with 42 C.F.R. 438.6(c) (1) (iii) and subject to CMS approval. Prior to submitting the State Plan Amendment or making the managed care contract changes, Chesapeake Regional Hospital shall enter into an agreement with the department to transfer the non-federal share for these payments. The department shall have the authority to implement these reimbursement changes consistent with the effective date(s) approved by the Centers for Medicare and Medicaid (CMS). No payments shall be made without CMS approval.

8.a. There is hereby appropriated sum-sufficient nongeneral funds for the department to pay the state share of supplemental payments for nursing homes owned by Type One hospitals (consisting of state-owned teaching hospitals) as provided in the State Plan for Medical Assistance Services. The total supplemental payment shall be based on the difference between the Upper Payment Limit of 42 CFR § 447.272 as approved by CMS and all other Medicaid payments subject to such limit made to such nursing homes. DMAS shall enter into a transfer agreement with any Type One hospital whose nursing home qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment approved by CMS and prior to completion of any regulatory process in order to effect such changes.

b. The department shall adjust capitation payments to Medicaid managed care organizations to fund a minimum fee schedule compliant with requirements in 42 C.F.R. § 438.6(c) (1) (iii) at a level consistent with the State Plan amendment authorized above for nursing homes owned by Type One hospitals. The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments and provider payment requirements. DMAS shall enter into a transfer agreement with any Type One hospitals whose nursing home qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments. The department shall have the authority to implement these reimbursement changes consistent with the effective date approved by CMS. No payment shall be made without approval from CMS.

YY. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to provide coverage for cessation services for tobacco users, including pharmacology, group and individual counseling, and other treatment services including the most current version of or an official update to the Clinical Health Guideline "Treating Tobacco Use and Dependence" published by the Public Health Service of the U.S. Department of Health and Human Services. These services shall be subject to copayment requirements. The department shall have authority to implement this reimbursement change effective July 1, 2014 and prior to the completion of any regulatory process undertaken in order to effect such changes.

ZZ. The Department of Medical Assistance Services shall have the authority to implement Section 1902(a) (10) (A) (i) (IX) of the federal Social Security Act to provide Medicaid benefits up until the age of 26 to individuals who are or were in foster care at least until the age of 18 in any state.

AAA.1.a The Department of Medical Assistance Services shall amend the Medicaid demonstration project (Project Number ll-W-00297/3) to modify eligibility provided through the project to individuals with serious mental illness to be effective July 1, 2015. Income eligibility shall be modified to limit services to seriously mentally ill adults with effective household incomes up to 60 percent of the federal poverty level (FPL). All individuals enrolled in this Medicaid demonstration project with incomes between 61% and 100% of the Federal Poverty Level as of May 15, 2015 who continue to meet other program eligibility rules, shall maintain enrollment in the demonstration until their next eligibility renewal period or July 1, 2016, whichever comes first. Benefits shall include the following services: (i) primary care office visits including diagnostic and treatment services performed in the physician's office, (ii) outpatient specialty care, consultation, and treatment, (iii) outpatient hospital including observation and ambulatory diagnostic procedures, (iv) outpatient laboratory, (v) outpatient pharmacy, (vi) outpatient telemedicine, (vii) medical equipment and supplies for diabetic treatment, (viii) outpatient psychiatric treatment, (ix) mental health case management, (x) psychosocial rehabilitation assessment and psychosocial rehabilitation services, (xi) mental health crisis intervention, (xii) mental health crisis stabilization, (xiii) therapeutic or diagnostic injection, (xiv) behavioral telemedicine, (xv) outpatient substance abuse treatment services, and (xvi) intensive outpatient substance abuse treatment services. Care coordination, Recovery Navigation (peer supports), crisis line and prior authorization for services shall be provided through the agency's Behavioral Health Services Administrator.

b. The Department of Medical Assistance Services shall amend the Medicaid demonstration project described in paragraph AAA.1.a. to increase the income eligibility for adults with serious mental illness from 60 to 80 percent of the federal poverty level effective July 1, 2016 and from 80 to 100 percent of the federal poverty level effective October 1, 2017. Effective October 1, 2017, the department shall amend the Medicaid demonstration project to include the provision of addiction recovery and treatment services, including partial day hospitalization and residential treatment services. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.

c. The Department of Medical Assistance Services, in cooperation with the Department of Social Services and the League of Social Service Executives, shall provide information and conduct outreach activities with the Department of Corrections and local and regional jails to increase access to the Medicaid demonstration waiver for individuals with serious mental illness who are preparing to be released from custody, or are under the supervision of state or local community corrections programs.

d. The Department of Medical Assistance Services, in cooperation with the Department of Social Services and the League of Social Service Executives, shall provide information and conduct outreach activities with the Department of Corrections and local and regional jails to increase access to the Medicaid demonstration waiver for individuals with serious mental illness who are preparing to be released from custody, or are under the supervision of state or local community corrections programs.

2. The Department of Medical Assistance Services is authorized to amend the State Plan under Title XIX of the Social Security Act to add coverage for comprehensive dental services to pregnant women receiving services under the Medicaid program to include: (i) diagnostic, (ii) preventive, (iii) restorative, (iv) endodontics, (v) periodontics, (vi) prosthodontics both removable and fixed, (vii) oral surgery, and (viii) adjunctive general services.

3. The Department of Medical Assistance Services is authorized to amend the FAMIS MOMS and FAMIS Select demonstration waiver (No. 21-W-00058/3) for FAMIS MOMS enrollees to add coverage for dental services to align with pregnant women's coverage under Medicaid.

4. The Department of Medical Assistance Services is authorized to amend the State Plan under Title XXI of the Social Security Act to plan to allow enrollment for dependent children of state employees who are otherwise eligible for coverage.

5. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.

BBB. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services to eliminate the requirement for pending, reviewing and reducing fees for emergency room claims for 99283 codes. The department shall have the authority to implement this reimbursement change effective July 1, 2015, and prior to the completion of any regulatory process undertaken in order to effect such change.

CCC. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the supplemental physician payments for practice plans affiliated with a freestanding children's hospital with more than 50 percent Medicaid inpatient utilization in fiscal year 2009 to the maximum allowed by the Centers for Medicare and Medicaid Services. The department shall have the authority to implement these reimbursement changes effective July 1, 2015, and prior to completion of any regulatory process undertaken in order to effect such change.

DDD. The Department of Medical Assistance Services (DMAS) shall amend its July 1, 2016, managed care contracts in order to conform to the requirement pursuant to House Bill 1942 / Senate Bill 1262, passed during the 2015 Regular Session, for prior authorization of drug benefits.

EEE.1. Out of this appropriation, $1,400,000 the first year and $2,350,000 the second year from the general fund and $1,400,000 the first year and $2,250,000 the second year from nongeneral funds shall be used for supplemental payments to fund the second and third years of graduate medical education for 15 funded slots for residents who began their residencies in July 2017, the first and second years of graduate medical education of 13 funded slots for residents beginning their residencies in July 2018, the first year of graduate medical education of 20 funded slots for residencies in July 2019, and two one year post graduate fellowships in July 2019.

2. The supplemental payment for each qualifying residency slot shall be $100,000 annually minus any Medicare residency payment for which the sponsoring institution is eligible. For any residency program at a facility whose Medicaid payments are capped by the Centers for Medicare and Medicaid Services, the supplemental payments for each qualifying residency slot shall be $50,000 from the general fund annually minus any Medicare residency payments for which the residency program is eligible. Supplemental payments shall be made for up to four years for each qualifying resident. Payments shall be made quarterly following the same schedule used for other medical education payments.

3. The Department of Medical Assistance Services shall submit a State Plan amendment based on the authorization in EEE.1. of this item to make supplemental payments for graduate medical education residency slots. The supplemental payments are subject to federal Centers for Medicare and Medicaid Services approval. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act.

4.a. Effective July 1, 2017, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Sentara Norfolk General (2 residencies), Carilion Medical Center (6 residencies), Centra Lynchburg General Hospital (1 residency), Riverside Regional Medical Center (2 residencies), Bon Secours St. Francis Medical Center (2 residencies). The department shall make supplemental payments to Carilion Medical Center for 2 psychiatry residencies.

b. Effective July 1, 2018, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Sentara Norfolk General (1 residency), Mary view Hospital (1 residency) and Carilion Medical Center (6 residencies). The department shall make supplemental payments to Carilion Medical Center for 2 psychiatric residencies and to Sentara Norfolk General for 1 OB/GYN residency and 2 psychiatric residencies.

c. Effective July 1, 2019, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Sentara Norfolk General (1 residency), Maryview Hospital (1 residency), Carilion Medical Center (6 residencies), Centra Health (2 residencies), and Riverside Regional Medical Center (2 residencies). The department shall make supplemental payments to Inova Fairfax Hospital for 1 General Surgery residency and to Carilion Medical Center for 2 psychiatric residencies. The department shall make supplemental payments to Sentara Norfolk General for 2 psychiatric residencies, 1 OB/GYN residency, and 2 urology residencies. The department shall make supplemental payments to the University of Virginia Health System for a one year fellowship in Addiction Medicine and to the Virginia Commonwealth University Health System for a one year fellowship in Addiction Medicine.

5. Preference shall be given for residency slots located in underserved areas. Applications for slots that involve multiple medical care providers collaborating in training residents and that involve providing residents the opportunity to train in underserved areas are encouraged. A majority of the new residency slots funded each year shall be for primary care. The department shall adopt criteria for primary care, high need specialties and underserved areas as developed by the Virginia Health Workforce Development Authority. Beginning July 1, 2018, the department shall also review and consider applications from non-hospital sponsoring institutions, such as Federally Qualified Health Centers (FQHCs).

6. If the number of qualifying residency slots exceeds the available number of supplemental payments, the Virginia Health Workforce Development Authority shall determine which new residency slots to fund based on priorities developed by the authority.

7. The sponsoring institution will be eligible for the supplemental payments as long as it maintains the number of residency slots in total and by category as a result of the increase. The sponsoring institutions must certify by June 1 each year that they continue to meet the criteria for the supplemental payments and report any changes during the year to the number of residents.

8. The department shall require all sponsoring institutions receiving Medicaid medical education funding to report annually by September 15 on the number of residents in total and by specialty/subspecialty. Medical education funding includes payments for graduate medical education (GME) and indirect medical education (IME).

9. The Virginia Health Workforce Authority shall study options to help institutions in underserved and rural areas acquire and maintain specialists and instructors vital to maximize the quality of residency programs and report to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2018.

FFF.1. The Department of Medical Assistance Services, in consultation with the appropriate stakeholders, shall amend the state plan for medical assistance and/or seek federal authority through an 1115 demonstration waiver, as soon as feasible, to provide coverage of inpatient detoxification, inpatient substance abuse treatment, residential detoxification, residential substance abuse treatment, and peer support services to Medicaid individuals in the Fee-for-Service and Managed Care Delivery Systems.

2. The Department of Medical Assistance Services shall have the authority to make programmatic changes in the provision of all Substance Abuse Treatment Outpatient, Community Based and Residential Treatment services (group homes and facilities) for individuals with substance abuse disorders in order to ensure parity between the substance abuse treatment services and the medical and mental health services covered by the department and to ensure comprehensive treatment planning and care coordination for individuals receiving behavioral health and substance use disorder services. The department shall ensure appropriate utilization and cost efficiency, and adjust reimbursement rates within the limits of the funding appropriated for this purpose based on current industry standards. The department shall consider all available options including, but not limited to, service definitions, prior authorization, utilization review, provider qualifications, and reimbursement rates for the following Medicaid services: substance abuse day treatment for pregnant women, substance abuse residential treatment for pregnant women, substance abuse case management, opioid treatment, substance abuse day treatment, and substance abuse intensive outpatient. Any amendments to the State Plan or waivers initiated under the provisions of this paragraph shall not exceed funding appropriated in this Act for this purpose. The department shall have the authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this Act.

3. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance and any waivers thereof to include peer support services to children and adults with mental health conditions and/or substance use disorders. The department shall work with its contractors, the Department of Behavioral Health and Developmental Services, and appropriate stakeholders to develop service definitions, utilization review criteria and provider qualifications. Any amendments to the State Plan or waivers initiated under the provisions of this paragraph shall not exceed funding appropriated in this Act for this purpose. The department shall have the authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this Act.

4. The Department of Medical Assistance Services shall, prior to the submission of any state plan amendment or waivers to implement paragraphs FFF.1., FFF.2., and FFF.3., submit a plan detailing the changes in provider rates, new services added, other programmatic changes, and a certification of budget neutrality to the Director, Department of Planning and Budget and the Chairmen of the House Appropriation and Senate Finance Committees.

GGG. The Department of Medical Assistances shall amend the State Plan for Medical Assistance to convert the specialized care rates to a prospective rate consistent with the existing cost-based methodology by adding inflation to the per diem costs subject to existing ceilings for direct, indirect and ancillary costs from the most recent settled cost report prior to the state fiscal year for which the rates are being established. The same inflation adjustment shall apply to plant costs for specialized care facilities that do not have prospective capital rates that are based on fair rental value. The department shall use the state fiscal year rate methodology recently adopted for regular nursing facilities. Partial year inflation shall be applied to per diem costs if the provider fiscal year end is different than the state fiscal year. Ceilings shall also be maintained by state fiscal year. The department shall have the authority to implement these changes effective July 1, 2016, and prior to completion of any regulatory process to effect such changes.

HHH. The Department of Medical Assistance Services (DMAS), in consultation with the appropriate stakeholders, shall seek federal authority via a state plan amendment to cover low-dose computed tomography (LDCT) lung cancer screenings for high-risk adults. The department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act.

III. The Department of Medical Assistance Services shall not expend any appropriation for an approved Delivery System Reform Incentive Program (DSRIP) §1115 waiver unless the General Assembly appropriates the funding. The department shall notify the Chairmen of the House Appropriations and Senate Finance Committees within 15 days of any final negotiated waiver agreement with the Centers for Medicare and Medicaid Services.

JJJ. Effective July 1, 2017, the Department of Medical Assistance Services shall amend the managed care regulations to specify that all contracts with health plans in a Medicaid managed care delivery model, including long-term services and supports, require reimbursement to nursing facility and specialized care services at no less than the Medicaid established per diem rate for Medicaid covered days, using the department's methodologies, unless the managed care organization and the nursing facility or specialized care

services provider mutually agree to an alternative payment. The department shall have authority to implement this provision prior to the completion of any regulatory process in order to effect such change.

KKK.1. The Department of Medical Assistance Services shall monitor the capacity available under the Upper Payment Limit (UPL) for all hospital supplemental payments and adjust payments accordingly when the UPL cap is reached. The department shall make an adjustment to stay under the UPL cap by reducing or eliminating as necessary supplemental payments to hospitals based on when the first supplemental payments were actually made so that the newest supplemental payments to hospitals would be impacted first and so on.

2. The Department of Medical Assistance Services shall have the authority to implement reimbursement changes deemed necessary to meet the requirements of this paragraph prior to the completion of any regulatory process in order to effect such changes.

LLL.1 By October 1, 2019, the Department of Medical Assistance Services shall require consumer-directed aides providing personal care, respite care and companion services in the Medicaid Commonwealth Coordinated Care (CCC) Plus Waiver and Developmental Disability waiver programs and the Early and Periodic Screening Diagnosis and Treatment (EPSDT) program to utilize an Electronic Visit Verification (EVV) system. The department is authorized to contract with a vendor to provide access to an EVV system for use by consumer-directed aides.

2. For personal care, respite care and companion services agencies, the department shall work with the appropriate stakeholders to develop standards for electronic visit verification systems and certification requirements to ensure EVV systems used by such agencies meet all federal requirements and are capable of providing the necessary data the department may require.

3. Nothing stated above shall apply to respite services provided by a DBHDS licensed provider in a DBHDS licensed program site such as a group home, sponsored residential home, supervised living, supported living or similar facility/location licensed to provide respite, as allowed by the Centers for Medicare and Medicaid.

4. The department shall ensure that implementation of electronic visit verification complies with all requirements of the federal Centers of Medicare and Medicaid Services. The department shall have authority to implement these provisions prior to the completion of any regulatory process in order to effect such changes.

MMM. 1. Effective July 1, 2017, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the formula for indirect medical education (IME) for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 as a substitute for DSH payments. The formula for these hospitals for indirect medical education for inpatient hospital services provided to Medicaid patients but reimbursed by capitated managed care providers shall be identical to the formula for Type One hospitals. The IME payments shall continue to be limited such that total payments to freestanding children's hospitals with greater than 50 percent Medicaid utilization do not exceed the federal uncompensated care cost limit to which disproportionate share hospital payments are subject, excluding third party reimbursement for Medicaid eligible patients. The department shall have the authority to implement these changes effective July 1, 2017, and prior to completion of any regulatory action to effect such changes.

2. The Department of Medical Assistance Services (DMAS) shall have the authority to create additional hospital supplemental payments for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 to replace payments that have been reduced due to the federal regulation on the definition of uncompensated care costs effective June 2, 2017. These new payments shall equal what would have been paid to the freestanding children's hospitals under the current disproportionate share hospital (DSH) formula without regard to the uncompensated care cost limit. These additional hospital supplemental payments shall take precedence over supplemental payments for private acute care hospitals. If the federal regulation is voided, DMAS shall continue DSH payments to the impacted hospitals and adjust the additional hospital supplemental payments authorized in this paragraph accordingly. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effectuate such change.

NNN. Effective July 1, 2019, the Department of Medical Assistance Services shall increase the rates for agency and consumer directed personal care, respite and companion services in the home and community based services waivers and Early Periodic Screening, and Diagnosis and Treatment (EPSDT) program by two percent. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

OOO. The Department of Planning and Budget, in cooperation with the Department of Medical Assistance Services, the Department of Social Services and other agencies as necessary, shall transfer appropriations across items, service areas and agencies within the budget to properly account for the costs and savings of the implementation of Medicaid coverage of newly eligible individuals pursuant to the Patient Protection and Affordable Care Act, including the Training, Education, Employment and Opportunity Program (TEEOP), consistent with the intent of the General Assembly.

PPP. For the period beginning September 1, 2016 until 180 days after publication and distribution of the Developmental Disabilities Waivers provider manual by the Department of Medical Assistance Services (DMAS), retraction of payment from Developmental Disabilities Waivers providers following an audit by DMAS or one of its contractors is only permitted when the audit points identified are supported by the Code of Virginia, regulations, DMAS general providers manuals, or DMAS Medicaid Memos in effect during the date of services being audited.

QQQ. The Department of Medical Assistance Services shall review of the rates paid to residential psychiatric treatment facilities and determine if those rates are appropriate for those facilities. The department shall require residential psychiatric treatment facilities to submit cost reports to be used to conduct its review. The department shall report its findings to the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2019.

RRR. The Department of Medical Assistance Services shall submit a report annually on all supplemental payments made to hospitals through the Medicaid program. This report shall include information for each hospital and by type of supplemental payment (Disproportionate Share Hospital, Graduate Medical Education, Indirect Medical Education, Upper Payment Limit program, and others). The report shall include total Medicaid payments from all sources and calculate the percent of overall payments that are supplemental payments. Furthermore, it shall include a description of each type of supplemental payment and the methodology used to calculate the payments. Each report shall reflect the data for the prior three fiscal years and shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees by September 1 each year.

SSS. Effective July 1, 2018, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to make the following changes. The department shall: (i) eliminate eligibility for Disproportionate Share Hospital (DSH) payments for Children's National Medical Center (CNMC); (ii) increase the annual indirect medical education (IME) payments for CNMC by the amount of DSH the hospital was eligible for in fiscal year 2018; and (iii) reduce the Type 2 DSH allocation by this same amount. The department shall have the authority to implement these changes effective July 1, 2018, and prior to completion of any regulatory action to effect such change.

TTT.1. The Department of Medical Assistance Services shall work with stakeholders to review and adjust medical necessity criteria for Medicaid-funded nursing services including private duty nursing, skilled nursing, and home health. The department shall adjust the medical necessity criteria to reflect advances in medical treatment, new technologies, and use of integrated care models including behavioral supports. The department shall have the authority to amend the necessary waiver(s) and the State Plan under Titles XIX and

XXI of the Social Security Act to include changes to services covered, provider qualifications, medical necessity criteria, and rates and rate methodologies for private duty nursing. The adjustments to these services shall meet the needs of members and maintain budget neutrality by not requiring any additional expenditure of general fund beyond the current projected appropriation for such nursing services.

2. The department shall have authority to implement these changes to be effective July 1, 2019. The department shall also have authority to promulgate any emergency regulations required to implement these necessary changes within 280 days or less from the enactment dated of this act. The department shall submit a report and estimates of any projected cost savings to the Chairmen of the House Appropriations and Senate Finance Committees 30 days prior to implementation of such changes.

3. The department shall work with stakeholders to review changes to services covered, provider qualifications, rates and rate methodologies for private duty nursing services, and make recommendations to the Chairmen of the House Appropriations and Senate Finance Committees by December 15, 2018.

UUU. Effective July 1, 2018, the Department of Medical Assistance Services shall explore private sector technology based platforms and service delivery options to allow qualified, licensed providers to deliver the Consumer-Directed Agency with Choice model in the Commonwealth of Virginia. The department shall work with stakeholders to examine this model of care and assess the changes that would be required including the services covered, provider qualifications, medical necessity criteria, reimbursement methodologies and rates to implement the model. The department shall submit a report on its findings to the Chairmen of the House Appropriations and Senate Finance Committees by December 1,2018.

VVV. Effective July 1, 2019, the department shall amend the State Plan for Medical Assistance to clarify payment rules for new nursing homes or renovations that qualify for mid-year rate adjustments, to include the following:

1. For any facility whose Fair Rental Value report has less than 12 months of experience, the department shall develop an occupancy schedule that represents average statewide occupancy by month of operation for use in calculating the per diem rate in lieu of a minimum occupancy requirement or actual occupancy.

2. Any new beds or renovations placed in service between the reporting year and the rate year shall be treated as a mid-year rate adjustment. No new rate will be made after April 30. Rate updates that fall between May 1 and June 30 shall be effective July 1 of the same year.

3. The department shall annualize real estate taxes, property taxes and property insurance costs that do not represent a full year's cost.

4. Costs shall be based on currently available documentation at the time but are subject to audit. The department may use any reasonable method to estimate costs for which there is inadequate documentation. Any adjustments based on subsequent documentation or audit for a current rate year shall be applied beginning with the next rate year.

5. The department shall have 15 days from the date of the provider's submission to determine if the filing is complete for purposes of setting a rate for a new or renovated facility. The facility shall have 15 days from the date the filing is deemed incomplete to submit the required information. The deadline for setting the rate shall be extended for 30 days after the filing is deemed complete.

6. Providers may propose a phased renovation subject to approval by the department. The phased renovation may include reductions to available beds. Any modifications to the proposed renovation are also subject to approval by the department.

7. The department shall have the authority to implement these reimbursement changes effective July 1, 2019 and prior to the completion of any regulatory process undertaken in order to effect such change.

WWW. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance and any relevant waivers thereof to modify reimbursement for Hospice services provided to patients residing in facilities to include at least 100 percent of the relevant Medicaid facility rate for that individual, a component commonly referred to as "room and board." To the extent allowed under federal law and regulation, the Department shall further amend the State plan and/or relevant waivers thereof to pay this "room and board" rate in effect with no discount applied to the facility directly, thus eliminating the Hospice from its role in passing-through this facility payment to the facility. To the extent federal approval of this direct payment component is dependent on whether it is in the State Plan or in relevant waivers, the Department shall implement the direct payment where federal approval is achieved. The department shall have authority to implement these changes effective July 1, 2019 and prior to the completion of any regulatory process undertaken in order to effect such change.

XXX. Effective July 1, 2019, the Department of Medical Assistance Services shall increase the telehealth originating site facility fee to 100 percent of the Medicare rate and shall reflect changes annually based on any changes in the Medicare rate. The department shall exempt Federally Qualified Health Centers and Rural Health Centers from this reimbursement change. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

YYY.1. The Department of Medical Assistance Services shall work with the Department of Behavioral Health and Developmental Services and stakeholders to develop the continuum of evidence-based, trauma-informed, and cost-effective mental health services recommended by the University of Colorado Farley Center for Health Policy that will result in the best outcomes for Medicaid and FAMIS members. This continuum shall include community mental health rehabilitation services (including early intervention services) and integrated behavioral health in primary care and school settings.

2. The department shall develop the necessary waiver(s) and the State Plan amendments under Titles XIX and XXI of the Social Security Act to fulfill this item, including but not limited to, changes to the medical necessity criteria, services covered, provider qualifications, and reimbursement methodologies and rates for Community Mental Health and Rehabilitation Services. The department shall work with its contractors, the Department of Behavioral Health and Developmental Services, and appropriate stakeholders to develop service definitions, utilization review criteria, provider qualifications, and rates and reimbursement methodologies. The department shall also work with its actuary to model the fiscal impact of the proposed continuum.

3. Prior to the submission of any state plan amendment or waivers to implement these changes, the Department of Medical Assistance Services and Department of Behavioral Health and Developmental Services shall submit a plan detailing the changes in provider rates, new services added and any other programmatic or cost changes to the Chairmen of the House Appropriations and Senate Finance Committees. The departments shall submit this report no later than December 1, 2019.

4. Upon approval of the 2020 General Assembly and the federal Centers for Medicare and Medicaid Services, the department shall have authority to implement these changes.

ZZZ. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase reimbursement for Critical Access Hospitals by using an adjustment factor or percent of cost reimbursement of 100% for inpatient operating and capital rates and outpatient rates effective July 1, 2019. The department shall have the authority to implement these changes effective July 1, 2019 and prior to completion of any regulatory action to effect such change.

AAAA. The Department of Medical Assistance Services shall pursue any and all alternatives and cost based reimbursement models to allow a private hospital in rural Southwest Virginia that has closed in the last five years to recoup capital startup costs and minimize operating losses for the next five years, including but not limited to optimizing federal matching dollars in accordance with federal law.

BBBB. The Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services shall recognize the Certified Employment Support Professional (CESP) and Association of Community Rehabilitation Educators (ACRE) certifications in lieu of competency requirements for supported employment staff in the Medicaid Community Living, Family and Individual Support and Building Independence Waiver programs and shall allow providers that are Department for the Aging and Rehabilitative Services vendors that hold a national three-year accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF) to be deemed qualified to meet employment staff competency requirements, provided the provider submits the results from their CARF surveys including recommendations received to the Department of Behavioral Health and Developmental Services so that the agency can verify that there are no recommendations for the standards that address staff competency.

CCCC. Effective July 1, 2019, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the practitioner rates for primary care services by five percent and rates for Emergency Department services by one percent to reflect the equivalent of 70 percent of the 2018 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 the regulatory process.

DDDD. Effective July 1, 2019, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to create a separate service category for psychiatric services and to increase practitioner rates for psychiatric services by 21 percent to reflect the equivalent of 100 percent of the 2018 Medicare rates. All practitioners who bill these services shall receive new rates. The department shall have the authority to implement these reimbursement changes prior to the completion of the regulatory process.

EEEE. The Department of Medical Assistance Services shall develop a methodology for Disproportionate Share Hospital (DSH) payments that recognizes and creates incentives for private hospitals in providing medical services for individuals subject to temporary detention orders (TDOs). The methodology shall factor in utilization related to TDOs in the DSH methodology. The department shall have the authority to modify the State Plan for Medical Assistance and to implement the changes in the DSH methodology effective January 1, 2019 and prior to the completion of the regulatory process. The department shall report on the details of the methodology, and the potential impact on allocations to hospitals, to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2019.

FFFF. Notwithstanding any other provision of law, any unexpended general fund appropriation remaining in this item on the last day of each fiscal year shall revert to the general fund and shall not be reappropriated in the following fiscal year.

GGGG. The Department of Medical Assistance Services shall amend its contracts with managed care organizations to require written notification and training to agency-directed personal care providers at least 60 days prior to the implementation of all changes to Quality Management Review and prior authorization policies and processes consistent with state and federal regulations.

HHHH. Effective with the Governor's Declaration of a State of Emergency due to COVID-19, the Department of Medical Assistance Services (DMAS) shall increase nursing home and specialized care per diem rates by $20 per day per patient. Such adjustment shall be made through existing managed care capitation rates as a mandated specified rate increase from March 12, 2020 through June 30, 2020. The department shall have the authority to file all necessary regulatory authorities without delay, make any necessary contract changes, and implement these reimbursement changes without regard to existing regulations. The specified nursing facility rate increase in this paragraph applies across fee-for-service and Medicaid managed care.

	Item Details($)		Appropriations($)	
	First Year	**Second Year**	**First Year**	**Second Year**
304. Not set out.				
305. Medical Assistance Services for Low Income Children (46600).....			$187,688,174	~~$204,876,631~~ $199,730,527
Reimbursements for Medical Services Provided to Low-Income Children (46601).....	$187,688,174	~~$204,876,631~~ $199,730,527		
Fund Sources: General.....	$21,802,581	~~$40,866,198~~ $39,882,173		
Federal Trust.....	$165,885,593	~~$164,010,433~~ $159,848,354		

Authority: Title 32.1, Chapters 9, 10 and 13, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code.

To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation, as needed, from Children's Health Insurance Program Delivery (44600) and Medicaid Program Services (45600), if available, into this Item to be used as state match for federal Title XXI funds.

	Item Details($)		Appropriations($)	
	First Year	**Second Year**	**First Year**	**Second Year**
306. Not set out.				
307. Administrative and Support Services (49900).....			$276,209,635	$288,267,024
General Management and Direction (49901).....	$265,655,182	$277,712,571		
Administrative Support for the Family Access to Medical Insurance Security Plan (49932).....	$10,554,453	$10,554,453		
Fund Sources: General.....	$63,468,138	$66,081,185		
Special.....	$2,305,332	$2,334,320		
Dedicated Special Revenue.....	$11,620,070	$18,553,043		
Federal Trust.....	$198,816,095	$201,298,476		

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code.

A.1. By November 1 of each year, the Department of Planning and Budget, in cooperation with the Department of Medical Assistance Services, shall prepare and submit a forecast of Medicaid expenditures, upon which the Governor's budget recommendations will be based, for the current and subsequent two years to the Chairmen of the House Appropriations and Senate Finance Committees. In addition to the expenditure forecast, the Department of Medical Assistance Services shall provide a breakout that shows forecasted expenditures by caseload/utilization, inflation, and policy changes. An enrollment forecast for the same forecast period shall also be submitted with the expenditure forecast.

2. The forecast shall be based upon current state and federal laws and regulations. The forecast shall only include expenditures for medical services in Program 45600 and shall exclude administrative expenditures. Rebasing and inflation estimates that are required by existing law or regulation for any Medicaid provider shall be included in the forecast. The forecast shall also include an estimate of projected increases or decreases in managed care costs, including estimates regarding changes in managed care rates for the three-year period. In preparing for each year's forecast of the managed care portions of the budget, the department shall submit to its actuarial contractor a letter, with a copy sent to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees. This letter shall document the department's request for a point estimate of the rate of increase in rates, based on application of actuarial principals and methodologies and information available at the time of the forecast, that the contractor estimates will occur in the years being forecast, and shall specify the population groupings for which estimates are requested. The department shall request that the contractor reply in writing with a copy to all parties copied on the department's letter.

3. The Department of Planning and Budget and the Department of Medical Assistance Services shall convene a meeting on or before October 15 of each year with the appropriate staff from the House Appropriations and Senate Finance Committees to review current trends and the assumptions used in the Medicaid forecast prior to its finalization. The departments shall provide at this meeting a complete list of all policy and manual adjustments along with the estimated amounts of each adjustment by fiscal year that will be included in the Medicaid forecast due November 1.

B.1. The Department of Medical Assistance Services (DMAS) shall submit monthly expenditure reports of the Medicaid program by service that shall compare expenditures to the official Medicaid forecast, adjusted to reflect budget actions from each General Assembly Session. The monthly report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees within 20 days after the end of each month. DMAS shall convene a meeting each quarter with the Secretary of Finance, Secretary of Health and Human Resources, or their designees, and appropriate staff from the Department of Planning and Budget, House Appropriations and Senate Finance Committees, and Joint Legislative Audit and Review Commission to explain any material differences in expenditures compared to the official Medicaid forecast, adjusted to reflect budget actions from each General Assembly Session. If necessary, the department shall provide options to bring expenditures in line with available resources. At each quarterly meeting, the department shall provide an update on any changes to the managed care programs, or contracts with managed care organizations, that includes detailed information and analysis on any such changes that may have an impact on the capitation rates or overall fiscal impact of the programs, including changes that may result in savings. Specifically, the department shall report on the Discrete Incentive Transition Program with information regarding the number of individuals that transition from nursing facilities, payments to managed care organizations, and outcomes and quality data for the individual plan members that transition into the community. In addition, the department shall report on utilization and other trends in the managed care programs.

2. The Department of Medical Assistance Services shall submit a quarterly report summarizing managed care encounter data by service category in a format similar to the report in paragraph B.1. This quarterly report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees no later than 30 days after the end of each quarter.

3. The Department of Medical Assistance Services shall track expenditures for the prior fiscal year that ended on June 30, that includes the expenditures associated with changes in services and eligibility made in the Medicaid and FAMIS programs adopted by the General Assembly in the past session(s). Expenditures related to changes in services and eligibility adopted in a General Assembly Session shall be included in the report for five fiscal years beginning from the first year the policy impacted expenditures in the Medicaid and FAMIS programs. The department shall report the expenditures of each funding change separately and show the impact by fiscal year. The report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees by October 1 of each year.

C.1. It is the intent of the General Assembly that the Department of Medical Assistance Services provide more data regarding Medicaid and other programs operated by the department on their public website. The department shall create a central website that consolidates data and statistical information to make the information more readily available to the general public. At a minimum the information included on such website shall include monthly enrollment data, expenditures by service, and other relevant data.

2. No later than June 30, 2018, the department shall make Medicaid and other agency data stored in the agency's data warehouse available through the department's website that includes, at a minimum, interactive tools for the user to select, display, manipulate and export requested data.

D. The Department of Medical Assistance Services shall notify the Director, Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance Committees at least 30 days prior to any change in capitated rates for managed care companies. The notification shall include the amount of the rate increase or decrease, and the projected impact on the state budget.

E.1. Effective January 1, 2018, the Department of Medical Assistance Services shall include in all its contracts with managed care organizations (MCOs) the following:

a. A provision requiring the MCOs to return one-half of the underwriting gain in excess of three percent of Medicaid premium income up to 10 percent. The MCOs shall return 100 percent of the underwriting gain above 10 percent.

b. A requirement for detailed financial and utilization reporting. The reported data shall include: (i) income statements that show expenses by service category: (ii) balance sheets:

(iii) information about related-party transactions: and (iv) information on service utilization metrics.

c. Upon the inclusion of behavioral health care in managed care, behavioral health-specific metrics to identify undesirable trends in service utilization.

d. Upon the inclusion of behavioral health care in managed care, a report on their policies and processes for identifying behavioral health providers who provide inappropriate services and the number of such providers that are disenrolled.

2. For rate periods effective January 1, 2018 and thereafter, the Department of Medical Assistance Services shall direct its actuary as part of the rate setting process to:

a. Identify potential inefficiencies in the Medallion program and adjust capitation rates for expected efficiencies. The department is authorized to phase-in this adjustment over time based on the portion of identified inefficiencies that MCOs can reasonably reduce each

year.

b. Monitor medical spending for related-party arrangements and adjust historical medical spending when deemed necessary to ensure that capitation rates do not cover excessively high spending as compared to benchmarks. Related-party arrangements shall mean those in which there is common ownership or control between the entities, and shall not include Medicaid payments otherwise authorized in this item.

c. Adjust capitation rates in the Medallion program to account for a portion of expected savings from required initiatives.

d. Allow negative historical trends in medical spending to be carried forward when setting capitation rates.

e. Annually rebase administrative expenses per member per month for projected enrollment changes.

f. Annually incorporate findings on unallowable administrative expenses from audits of MCOs into its calculations of underwriting gain and administrative loss ratios for the purposes of ongoing financial monitoring, including enforcement of the underwriting gain cap.

g. Adjust calculations of underwriting gain and medical loss ratio by classifying as profit medical spending that is excessively high due to related-party arrangements.

3. The Department of Medical Assistance Services shall report to the General Assembly on spending and utilization trends within Medicaid managed care, with detailed population and service information and include an analysis and report on the underlying reasons for these trends, the agency's and MCOs' initiatives to address undesirable trends, and the impact of those initiatives. The report shall be submitted each year by September 1.

4. The Department of Medical Assistance Services shall develop a proposal for cost sharing requirements based on family income for individuals eligible for long-term services and supports through the optional 300 percent of Supplemental Security Income eligibility category and submit the proposal to the Centers for Medicare and Medicaid Services to determine if such a proposal is feasible. No cost sharing requirements shall be implemented unless approved by the General Assembly.

F. The Department of Medical Assistance Services, to the extent permissible under federal law, shall enter into an agreement with the Department of Behavioral Health and Developmental Services to share Medicaid claims and expenditure data on all Medicaid-reimbursed mental health, intellectual disability and substance abuse services, and any new or expanded mental health, intellectual disability retardation and substance abuse services that are covered by the State Plan for Medical Assistance. The information shall be used to increase the effective and efficient delivery of publicly funded mental health, intellectual disability and substance abuse services.

G. The Department of Medical Assistance Services, in collaboration with the Department of Behavioral Health and Developmental Services, shall convene a stakeholder workgroup, to meet at least once annually, with representatives of the Virginia Association of Community Services Boards, the Virginia Network of Private Providers, the Virginia Association of Centers for Independent Living, Virginia Association of Community Rehabilitation Programs (VaACCSES), the disAbility Law Center of Virginia, the ARC of Virginia, and other stakeholders including representative family members, as deemed appropriate by the Department of Medical Assistance Services. The workgroup shall: (i) review data from the previous year on the distribution of the SIS levels and tiers by region and by waiver; (ii) review the process, information considered, scoring, and calculations used to assign individuals to their levels and reimbursement tiers; (iii) review the communication which informs individuals, families, providers, case managers and other appropriate parties about the SIS tool, the administration, and the opportunities for review to ensure transparency; and (iv) review other information as deemed necessary by the workgroup. The department shall report on the results and recommendations of the workgroup to the General Assembly by October 1 of each year.

H.1. The Department of Medical Assistance Services (DMAS) shall take actions to improve the reliability of Medicaid eligibility screenings for long-term services and supports, including: (i) validation of the children's criteria used with the Uniform Assessment Instrument to determine eligibility for Medicaid long-term services and supports, and (ii) design and implementation of an inter-rater reliability test for the preadmission screening process.

2. The department shall work with relevant stakeholders to (i) assess whether hospital screening teams are making appropriate recommendations regarding placement in institutional care or home and community-based care; (ii) determine whether hospitals should have a role in the screening process; and (iii) determine what steps must be taken to ensure the Uniform Assessment Instrument is implemented consistently and does not lead to unnecessary institutional placements.

3. The department shall report to the General Assembly by December 1 on steps taken to address the risks associated with hospital screenings, including any statutory or regulatory changes needed to improve such screenings.

I. The Department of Medical Assistance Services (DMAS) shall collect and provide to the Office of Children's Services (OCS) all information and data necessary to ensure the continued collection of local matching dollars associated with payments for Medicaid eligible services provided to children through the Children's Services Act as required in Item 282, C.2. of this Act. This information and data shall be collected by DMAS and provided to OCS on a monthly basis.

J. The Departments of Medical Assistance Services (DMAS) and Social Services (DSS) shall collaborate with the League of Social Services Executives, and other stakeholders to analyze and report data that demonstrates the accuracy, efficiency, compliance, quality of customer service, and timeliness of determining eligibility for the Medicaid, CHIP and Governor's Access Program (GAP) programs. Based on this collaboration, the departments shall develop meaningful performance metrics on data in agency systems that shall be used to monitor eligibility trends, address potential compliance problem areas and implement best practices. DMAS shall maintain on its website a public dashboard on eligibility performance that includes performance metrics developed through collaborative efforts as well as the performance of local departments of social services and any centralized eligibility-processing unit. Effective August 1, 2018 this dashboard shall be updated for the previous quarter and 30 days following the end of each quarter thereafter.

K. In addition to any regional offices that may be located across the Commonwealth, any statewide, centralized call center facility that operates in conjunction with a brokerage transportation program for persons enrolled in Medicaid or the Family Access to Medical Insurance Security plan shall be located in Norton, Virginia.

L. The Department of Medical Assistance Services shall, to the extent possible, require web-based electronic submission of provider enrollment applications, revalidations and other related documents necessary for participation in the fee-for-service program under the State Plans for Title XIX and XXI of the Social Security Act.

M. The Department of Medical Assistance Services, in collaboration with the Department of Social Services, shall require Medicaid eligibility workers to search for unreported assets at the time of initial eligibility determination and renewal, using all currently available sources of electronic data, including local real estate property databases and the Department of Motor Vehicles for all Medicaid applicants and recipients whose assets are subject to an asset limit under Medicaid eligibility requirements.

N.1. The Department of Medical Assistance Services shall require eligibility workers to verify income, using currently available Virginia Employment Commission data, for applicants and recipients who report no earned or unearned income. The Department shall,

at the earliest date feasible but no later than October 1, 2017, require all Medicaid eligibility workers to apply the same protocols when verifying income for all applicants and recipients, including those who report no earned or unearned income.

2. The Department shall amend the Virginia Medicaid application, upon approval of the federal Centers for Medicare and Medicaid, to require a Medicaid applicant to opt out if such applicant does not want to grant permission to the state to use his federal tax returns for the purposes of renewing eligibility. The Department shall implement the necessary regulatory changes and other necessary measures to be consistent with federal approval of any appropriate state plan changes, and prior to the completion of any regulatory process undertaken in order to effect such change.

O.1. The Department of Medical Assistance Services shall report on the operations and costs of the Medicaid call center (also known as the Cover Virginia Call Center). This report shall include number of calls received on a monthly basis, the purpose of the call, the number of applications for Medicaid submitted through the call center, and the costs of the contract. The department shall submit the report by August 15 of each year to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees.

2. Out of this appropriation, $3,283,004 the first year and $3,283,004 the second year from the general fund and $9,839,000 the first year and $9,839,000 the second year from nongeneral funds is provided for the enhanced operation of the Cover Virginia Call Center as a centralized eligibility processing unit (CPU) that shall be limited to processing Medicaid applications received from the Federally Facilitated Marketplace, telephonic applications through the call center, or electronically submitted Medicaid-only applications. The department shall report the number of applications processed on a monthly basis and payments made to the contractor to the Director, Department of Planning and Budget and the Chairman of the House Appropriations and Senate Finance Committees. The report shall be submitted no later than 30 days after the end of each quarter of the fiscal year.

3. The Secretary of Health and Human Resources shall convene an interagency workgroup of the Department of Medical Assistance Services (DMAS), the Department of Social Services (DSS), and the Department of Planning and Budget (DPB) and representatives of the Virginia League of Social Services Executives to assess the programmatic, operational and fiscal impact of consolidating the Cover Virginia call center with the call center operated by DSS to determine if more efficient and cost effective services can be achieved, prior to the reprocurement of the Cover Virginia call center contract. The workgroup shall develop an implementation plan and funding adjustments, that may be needed, to implement a consolidated call center. The Secretary shall report on the results of the assessment and any recommendations to the Chairmen of the House Appropriations and Senate Finance Committee by September 1, 2019.

P.1. Out of this appropriation, $5,835,000 the first year and $5,835,000 the second year from the general fund and $52,515,000 the first year and $52,515,000 the second year from nongeneral funds shall be provided to replace the Medicaid Management Information System.

2. Within 30 days of awarding a contract or contracts related to the replacement project, the Department of Medical Assistance Services shall provide the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget, with a copy of the contract including costs.

3. Beginning July 1, 2016, the Department of Medical Assistance Services shall provide annual progress reports that must include a current project summary, implementation status, accounting of project expenditures and future milestones. All reports shall be submitted to the Chairmen of House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget.

Q.1. Out of this appropriation, $1,675,000 the first year and $1,675,000 the second year from special funds is appropriated to the Department of Medical Assistance Services (DMAS) for the disbursement of civil money penalties (CMP) levied against and collected from Medicaid nursing facilities for violations of rules identified during survey and certification as required by federal law and regulation. Based on the nature and seriousness of the deficiency, the Agency or the Centers for Medicare and Medicaid Services may impose a civil money penalty, consistent with the severity of the violations, for the number of days a facility is not in substantial compliance with the facility's Medicaid participation agreement. Civil money penalties collected by the Commonwealth must be applied to the protection of the health or property of residents of nursing facilities found to be deficient. Penalties collected are to be used for (1) the payment of costs incurred by the Commonwealth for relocating residents to other facilities; (2) payment of costs incurred by the Commonwealth related to operation of the facility pending correction of the deficiency or closure of the facility; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of actions by the facility or individuals used by the facility to provide services to residents. These funds are to be administered in accordance with the revised federal regulations and law, 42 CFR 488.400 and the Social Security Act § 1919(h), for Enforcement of Compliance for Long-Term Care Facilities with Deficiencies. Any special fund revenue received for this purpose, but unexpended at the end of the fiscal year, shall remain in the fund for use in accordance with this provision.

2. Of the amounts appropriated in Q.1. of this Item, up to $175,000 the first year and $175,000 the second year from special funds may be used for the costs associated with administering CMP funds.

3. Of the amounts appropriated in Q.1. of this Item, up to $1,000,000 the first year and $1,000,000 the second year from the special funds may be used for special projects that benefit residents and improve the quality of nursing Facilities.

4. By October 1 of each year, the department shall provide an annual report of the previous fiscal year that includes the amount of revenue collected and spending activities to the Chairmen of the House Appropriations and Senate Finance Committees and the Director, Department of Planning and Budget.

5. No spending or activity authorized under the provisions of paragraph Q. of this Item shall necessitate general fund spending or require future obligations to the Commonwealth.

6. The department shall maintain CMP special fund balance of at least $1.0 million to address emergency situations in Virginia's nursing facilities.

R. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund shall be provided to contract with the Virginia Center for Health Innovation for research, development and tracking of innovative approaches to healthcare delivery.

S.1. Out of this appropriation, $40,332 the first year and $69,320 the second year from special funds and $295,764 the first year and $266,776 the second year from federal funds shall be used to contract with Vision to Learn, a non-profit organization, to provide vision exams and corrective lenses and frames, if necessary, to school age children enrolled in Title I schools where at least 51 percent of the student body qualifies for free or reduced lunch. Vision to Learn will provide services through a mobile eye clinic, and must have a formalized agreement with targeted schools being serviced. The Department of Medical Assistance Services (DMAS) shall reimburse Vision to Learn for services provided to children that do not have another source of payment. The department shall reimburse for services rendered at the standard fee-for-service reimbursement rates.

2. Federal trust funds for these services will be accessed through the Children's Health Insurance Program (CHIP) Health Services Initiative allowed by Section 2015(a) (I)(D)(ii)) of the Social Security Act and 42 CFR 457.10. The department is authorized to match federal trust funds with local public and private contributions for the purpose of reimbursing Vision to Learn for eye exams and corrective lenses and frames, if necessary, to school age children.

3. The funding of these services is contingent on continued federal funding for the Children's Health Insurance Program (CHIP), and is further limited by the availability of CHIP administrative funds. This language should not be construed as authorizing a new Medicaid or CHIP benefit, or as creating a new entitlement.

T. The Director, the Department of Medical Assistance Services, shall include language in all managed care contracts, for all department programming, requiring the plan sponsor to report quarterly to the department for all pharmacy claims; the amount paid to the pharmacy provider per claim, including but not limited to cost of drug reimbursement; dispensing fees; copayments; and the amount charged to the plan sponsor for each claim by its pharmacy benefit manager. In the event there is a difference between these amounts, the plan sponsor shall report an itemization of all administrative fees, rebates, or processing charges associated with the claim. All data and information provided by the plan sponsor shall be kept secure; and notwithstanding any other provision of law, the department shall maintain the confidentiality of the proprietary information and not share or disclose the proprietary information contained in the report or data collected with persons outside the department. Only those department employees involved in collecting, securing and analyzing the data for the purpose of preparing the report shall have access to the proprietary data. The department shall annually provide a report using aggregated data only to the Chairmen of the House Appropriations and Senate Finance Committees on the implementation of this initiative and its impact on program expenditures by October 1 of each year. Nothing in the report shall contain confidential or proprietary information.

U. The Department of Medical Assistance Services shall, prior to the end of each fiscal quarter, determine and properly reflect in the accounting system whether pharmacy rebates received in the quarter are related to fee-for-service or managed care expenditures and whether or not the rebates are prior year recoveries or expenditure refunds for the current year. All pharmacy rebates for the quarter determined to be prior year revenue shall be deposited to the Virginia Health Care Fund before the end of the fiscal quarter. The department shall create and use a separate revenue source code to account for pharmacy rebates in the Virginia Health Care Fund.

V.1. Effective with the development of the 2020-2022 biennium, it is the intent of the General Assembly that there is hereby established an annual Medicaid state spending target for each fiscal year. The Joint Subcommittee for Health and Human Resources Oversight shall establish the annual target by September 15 of each year for the following two fiscal years. The target shall take into account the following: a 10-year rolling average of Medicaid expenditures by eligibility category and utilization of services, a 20-year rolling average of general fund revenue growth, and for policy decisions adopted by General Assembly during the previous Session which impact Medicaid spending.

2. In the event of an economic recession, the Joint Subcommittee may take into consideration enrollment and spending trends experienced during previous recessions in establishing the targets.

3. It is the intent of the General Assembly that the Governor abide by the spending target for Medicaid state spending, as established by the Joint Subcommittee, in developing the introduced budget each year and shall notify the Chairmen of the House Appropriations and Senate Finance Committees in the event the target cannot be met, along with the reason it cannot be met.

W. Out of this appropriation, $225,000 the first year from the general fund and $225,000 the first year from federal funds shall be used to hire an expert contractor or contractors to review the Department of Medical Assistance Services' (DMAS) federal expenditure and budget reporting as well as aid the department with improvements to cost allocation plans and federal advanced planning documents. On or before October 1, 2020, DMAS shall provide a report that details all areas examined, findings and improvements to Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees.

X. The Department of Medical Assistance Services, in collaboration with the Department of Social Services, may consider and review proofs of concept from vendors for a pilot program to improve screening services for income and assets as part of the Medicaid eligibility determination process for both initial applications and renewals. Any such pilot program may include innovative methods to increase automation of various financial accounts to improve the verification process for eligibility. The pilot may also include methods to monitor compliance with the provisions of the Training, Education, Employment, and Opportunity Program pursuant to a § 1115 Demonstration Waiver. Any proofs of concept submitted by a vendor shall include cost estimates of such a pilot program. If the Department of Medical Assistance Services determines that a proof of concept by a vendor may significantly improve the eligibility determination process, the department shall notify the Chairmen of the House Appropriations and Senate Finance Committees with details and cost estimates of a potential pilot program.

Y. The Director, Department of Planning and Budget, shall unallot $4,611,953 from the general fund in this Item and revert the appropriation to the general fund, on or before June 30, 2019, which reflects carryforward balances from fiscal year 2018.

Z. The Department of Medical Assistance Services, in collaboration with the Department of Social Services, shall provide data by the first day of each month, to each managed care organization, that includes the renewal dates for each member enrolled in their plan that will occur in the next 60 days. The department shall work with the managed care organizations to develop processes to reduce the number of renewals lapsing each year for Medicaid and Family Access to Insurance Security (FAMIS) enrollees.

AA. The Department of Medical Assistance Services shall report a detailed accounting, annually, of the agency's organization and operations. This report shall include an organizational chart that shows all full- and part-time positions (by job title) employed by the agency as well as the current management structure and unit responsibilities. The report shall also provide a summary of organization changes implemented over the previous year. The report shall be made available on the department's website by August 15 of each year.

BB. The Department of Medical Assistance Services shall, within 15 days of receiving a deferral of federal grant funds, or release of a deferral, or a disallowance letter, notify the Director, Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance Committees of such deferral action or disallowance. The notice shall include the amount of the deferral or disallowance and a detailed explanation of the federal rationale for the action. Any federal documentation received by the department shall be attached to the notification.

CC. The Department of Medical Assistance Services shall report on the use of emergency rooms for dental issues by Medicaid covered individuals. The report shall include: (i) data on the number of Medicaid-covered individuals that utilize emergency rooms primarily for dental issues; (ii) a summary of the types of dental issues being addressed and the treatments provided; (iii) data on the frequency of individuals returning to emergency rooms that may be related to the same dental issues; and (iv) options to consider to improve awareness and access to available dental care through free clinics and other community providers to resolve dental issues. The report shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2019.

DD. Out of this appropriation, $87,500 from the general fund and $262,500 from nongeneral funds the second year, shall be provided for support of the All Payer Claims Database operated by Virginia Health Information. This appropriation is contingent on federal approval of an Operational Advanced Planning Document.

EE.1. The Department of Medical Assistance Services shall cause its contracted actuary, not later than October 1, 2019, to evaluate and determine the most cost-effective pharmacy benefit delivery model, taking into account cost savings and other considerations such as clinical benefits, for all programs managed or directed by the department. In determining cost savings for each model considered, the actuary shall consider factors including rebates captured by the Commonwealth, decreased capitation rates, drug ingredient costs, generic drug dispensing, dispensing fees, drug utilization, and a single drug formulary (including the existing Common Core Formulary).

The department shall report its findings to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2019.

2. Upon approval of the 2020 General Assembly, the department may permit Medicaid managed care organizations (MCOs) under the Commonwealth's Children's Health Insurance Programs, Medallion 4.0, the Commonwealth Coordinated Care Plus or any other program managed or directed by the department, to develop and implement the most cost-effective pharmacy benefit delivery model including medication therapy management programs and medication reconciliation programs, for Medicaid recipients effective as of July 1, 2020. However, payments for prescribed drugs and dispensing fees shall be aligned to the model that provides the most beneficial financial solution to the Commonwealth. Upon approval of the 2020 General Assembly the department is authorized to contract with a pharmacy benefit manager, provided that the contract requires transparency in dispensing fees paid, cost control and containment measures, rebates collected and paid, fees and other charges for its administration of the pharmacy benefit.

3. The department is authorized to contract with a Virginia university for administration of a common formulary across its programs for pharmacy benefits upon approval of the 2020 General Assembly.

FF. The Director, Department of Planning and Budget, shall unallot $3,013,376 from the general fund in this Item and revert the appropriation to the general fund, on or before June 30, 2020, which reflects carryforward balances from fiscal year 2019.

GG. Notwithstanding any other provision of law, the Department of Medical Assistance Services (DMAS) shall have temporary authority to seek any necessary emergency changes to the State Plan for Medical Assistance Services and related waivers to address the COVID-19 pandemic. In addition, DMAS is authorized to make changes to managed care organization (MCO) contracts consistent with the activities implemented under the provisions of this paragraph. Further, the 30-day notification requirement pursuant to paragraph E. of Item 303 is temporarily waived. Prior to the implementation of any change authorized under the provisions of this paragraph, DMAS must receive written approval of such change from the Governor. Within 15 days of implementing changes to medical assistance programs or MCO contracts in response to COVID-19, DMAS shall send a list of such actions to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The provisions of this paragraph, as well as all actions implemented under its authority, shall be in accordance with the Governor's Declaration of a State of Emergency due to COVID-19 and be in effect for the period specified therein. Moreover, the provisions of this paragraph and all actions implemented under its authority shall expire with the Governor's emergency declaration.

HH. Notwithstanding any other provision of law, the Department of Medical Assistance Services (DMAS) shall have the authority to adjust the date of any agency payments should doing so allow the agency to maximize federal reimbursement. This language shall only apply to the extent that any impacted payments or reimbursements are allowable and appropriate under state and federal rules.

II. Within 10 days of the enactment of this Act, the Department of Medical Assistance Services (DMAS) shall generate an estimate of the annual impact of enhanced federal Medical Assistance Percentages (FMAP), associated with federal H.R. 6021, the Families First Coronavirus Response Act (FFCRA), on all medical assistance programs as appropriated in this Act. The agency shall report these estimates by fiscal year, fiscal quarter, service area and fund detail, to the Department of Planning and Budget (DPB) and the Chairs of the House Appropriations and Senate Finance and Appropriation Committees within the required timeframe. DPB is authorized to unallot an amount of state funds equal to the general fund savings identified in the DMAS report.

	Item Details($)		Approp	
	First Year	**Second Year**	**First Year**	**Second**
Total for Department of Medical Assistance Services.....			**$12,602,316,686**	~~$15,70~~ $15,12
General Fund Positions.....	257.52	259.52		
Nongeneral Fund Positions.....	273.48	275.48		
Position Level.....	531.00	535.00		
Fund Sources: General.....	$5,008,158,914	~~$5,159,981,592~~ $4,899,537,379		
Special.....	$2,305,332	$2,334,320		
Dedicated Special Revenue.....	$701,952,445	~~$1,097,071,653~~ $1,149,011,487		
Federal Trust.....	$6,889,899,995	~~$9,446,171,401~~ $9,077,540,702		

§ 1-21. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720)

Item Details($)		Appropriations($)	
First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**

308. Not set out.

309. A. It is the intent of the General Assembly that the Department of Behavioral Health and Developmental Services proceed in transforming its system of care into a model that embodies best practices and state-of the art services. The consumer-driven system of services and supports shall promote self-determination, empowerment, recovery, resilience, health, and the highest possible level of consumer participation in all aspects of community life. The transformed system shall include investments in a suitable array and adequate quantity of community-based services, with an emphasis on consumer choice and the appropriate use of facility resources. State facilities shall be redesigned to ensure high quality care, efficient operation, and capacity necessary for persons most in need of such care. Amounts authorized herein, and in related legislation, shall be used to support the transformation of the system of care and to promote the provision of behavioral health and developmental services in the most efficient and appropriate setting. The Department of Behavioral Health and Developmental Services may consider the use of public-private partnerships to deliver behavioral health and intellectual disability services as part of the comprehensive behavioral health and intellectual disability system of care, in facilities that are being planned for renovation or replacement. These partnerships may include contracts with private entities for facility operations, unless the Department of Behavioral Health and Developmental Services can demonstrate that continued state operation of the facility is at least as cost effective and provides at least an equivalent or higher level quality care than operation by a private entity.

B. Notwithstanding any law to the contrary, on July 1, of each year, excluding July 1, 2019, the State Comptroller shall transfer to the general fund any special revenue fund balance accumulated by the Department of Behavioral Health and Developmental Services in excess of $25,000,000. Any special revenue fund alloted for the implementation of electronic health records shall not be counted in the balance.

C.1. Notwithstanding §4-5.10, §4-5.09 of this Act and paragraph C. of § 2.2-1156, Code of Virginia, the Department of Behavioral Health and Developmental Services is hereby authorized to deposit the entire proceeds of the sales of surplus land at state-owned behavioral health and intellectual disability facilities into a revolving trust fund. The trust fund may initially be used for expenses associated with restructuring such facilities. Remaining proceeds after such expenses shall be dedicated to continuing services for current patients as facility services are restructured. Thereafter, the fund will be used to enhance services to individuals with mental illness, intellectual disability and substance abuse problems.

2. Expenditures from the Behavioral Health and Developmental Services Trust Fund shall be subject to appropriation through an appropriations bill passed by the General Assembly.

3. Any remaining balances in the Behavioral Health and Developmental Services Trust Fund shall be carried forward to the subsequent fiscal year.

D. Any funds appropriated in this Act for the purpose of complying with the settlement agreement with the United States Department of Justice pursuant to civil action no: 3:12cv059-JAG that remain unspent at the end of the fiscal year may be carried forward into the subsequent fiscal year in order to continue implementation of the agreement's requirements.

	Item Details($)		Appropriations($)	
	First Year	**Second Year**	**First Year**	**Second Year**
310. Administrative and Support Services (49900).....			$97,756,222	~~$97,715,780~~ $114,261,995
General Management and Direction (49901).....	$20,525,179	~~$20,599,429~~ $22,692,473		
Information Technology Services (49902).....	$33,621,717	~~$33,621,717~~ $48,074,888		
Architectural and Engineering Services (49904).....	$2,935,876	$2,685,876		
Collection and Locator Services (49905).....	$3,079,686	$3,079,686		
Human Resources Services (49914).....	$548,566	$548,566		
Planning and Evaluation Services (49916).....	$3,626	$3,626		
Program Development and Coordination (49933)	$37,041,572	$37,176,880		
Fund Sources: General.....	$53,429,075	~~$54,594,797~~ $56,687,841		
Special.....	$15,568,328	~~$15,318,328~~ $29,771,499		
Dedicated Special Revenue.....	$1,200,000	$0		
Federal Trust.....	$27,558,819	$27,802,655		

Authority: Title 16.1, Article 18, and Title 37.2, Chapters 2, 3, 4, 5, 6 and 7, and Title 2.2, Chapters 26 and 53 Code of Virginia; P.1. 102-119, Federal Code.

A. The Commissioner, Department of Behavioral Health and Developmental Services shall, at the beginning of each fiscal year, establish the current capacity for each facility within the system. When a facility becomes full, the commissioner or his designee shall give notice of the fact to all sheriffs.

B. The Commissioner, Department of Behavioral Health and Developmental Services shall work in conjunction with community services boards to develop and implement a graduated plan for the discharge of eligible facility clients to the greatest extent possible, utilizing savings generated from statewide gains in system efficiencies.

C. Notwithstanding § 4-5.09 of this act and paragraph C of § 2.2-1156, Code of Virginia, the Department of Behavioral Health and Developmental Services is hereby authorized to deposit the entire proceeds of the sales of surplus land at state-owned behavioral health and intellectual disability facilities into a revolving trust fund. The trust fund may initially be used for expenses associated with restructuring such facilities. Remaining proceeds after such expenses shall be dedicated to continuing services for current patients as facility services are restructured.

D. The Department of Behavioral Health and Developmental Services shall identify and create opportunities for public-private partnerships and develop the incentives necessary to establish and maintain an adequate supply of acute-care psychiatric beds for children and adolescents.

E. The Department of Behavioral Health and Developmental Services, in cooperation with the Department of Juvenile Justice, where appropriate, shall identify and create opportunities for public-private partnerships and develop the incentives necessary to establish and maintain an adequate supply of residential beds for the treatment of juveniles with behavioral health treatment needs, including those who are mentally retarded, aggressive, or sex offenders, and those juveniles who need short-term crisis stabilization but not psychiatric hospitalization.

F. Out of this appropriation, $656,538 the first year and $ $ 730,788 the second year from the general fund shall be provided for placement and restoration services for juveniles found to be incompetent to stand trial pursuant to Title 16.1, Chapter 11, Article 18, Code of Virginia.

G. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be used to pay for legal and medical examinations needed for individuals living in the community and in need of guardianship services.

H. Out of this appropriation, $2,751,776 the first year and $2,938,500 the second year from the general fund shall be provided for services for the civil commitment of sexually violent predators including the following: (i) clinical evaluations and court testimony for sexually violent predators who are being considered for release from state correctional facilities and who will be referred to the Clinical Review Committee for psycho-sexual evaluations prior to the state seeking civil commitment, (ii) conditional release services, including treatment, and (iii) costs associated with contracting with a Global Positioning System service to closely monitor the movements of individuals who are civilly committed to the sexually violent predator program but conditionally released.

I. Out of this appropriation, $146,871 the first year and $146,871 the second year from the general fund shall be used to operate a real-time reporting system for public and private acute psychiatric beds in the Commonwealth.

J. The Department of Behavioral Health and Developmental Services shall submit a report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than December 1 of each year for the preceding fiscal year that provides information on the operation of Virginia's publicly-funded behavioral health and developmental services system. The report shall include a brief narrative and data on the numbers of individuals receiving state facility services or CSB services, including purchased inpatient psychiatric services, the types and amounts of services received by these individuals, and CSB and state facility service capacities, staffing, revenues, and expenditures. The annual report also shall describe major new initiatives implemented during the past year and shall provide information on the accomplishment of systemic outcome and performance measures during the year.

K. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be used for a comprehensive statewide suicide prevention program. The Commissioner of the Department of Behavioral Health and Developmental Services (DBHDS), in collaboration with the Departments of Health, Education, Veterans Services, Aging and Rehabilitative Services, and other partners shall develop and implement a statewide program of public education, evidence-based training, health and behavioral health provider capacity-building, and related suicide prevention activity.

L.1. Beginning October 1, 2013, the Commissioner of the Department of Behavioral Health and Developmental Services shall provide quarterly reports to the House Appropriations and Senate Finance Committees on progress in implementing the plan to close state training centers and transition residents to the community. The reports shall provide the following information on each state training center: (i) the number of authorized representatives who have made decisions regarding the long-term type of placement for the resident they represent and the type of placement they have chosen; (ii) the number of authorized representatives who have not yet made such decisions; (iii) barriers to discharge; (iv) the general fund and nongeneral fund cost of the services provided to individuals transitioning from training centers; and (v) the use of increased Medicaid reimbursement for congregate residential services to meet exceptional needs of individuals transitioning from state training centers.

2. At least six months prior to the closure of a state intellectual disabilities training center, the Commissioner of Behavioral Health and Developmental Services shall complete a comprehensive survey of each individual residing in the facility slated for closure to determine the services and supports the individual will need to receive appropriate care in the community. The survey shall also determine the adequacy of the community to provide care and treatment for the individual, including but not limited to, the appropriateness of current provider rates, adequacy of waiver services, and availability of housing. The Commissioner shall report quarterly findings to the Governor and Chairmen of the House Appropriations and Senate Finance Committees.

3. The department shall convene quarterly meetings with authorized representatives, families, and service providers in Health Planning Regions I, II, III and IV to provide a mechanism to (i) promote routine collaboration between families and authorized representatives, the department, community services boards, and private providers; (ii) ensure the successful transition of training center residents to the community; and (iii) gather input on Medicaid waiver redesign to better serve individuals with intellectual and developmental disability.

4. In the event that provider capacity cannot meet the needs of individuals transitioning from training centers to the community, the department shall work with community services boards and private providers to explore the feasibility of developing (i) a limited number of small community group homes or intermediate care facilities to meet the needs of residents transitioning to the community, and/or (ii) a regional support center to provide specialty services to individuals with intellectual and developmental disabilities whose medical, dental, rehabilitative or other special needs cannot be met by community providers. The Commissioner shall report on these efforts to the House Appropriations and Senate Finance Committees as part of the quarterly report, pursuant to paragraph L.1.

M.1. A joint subcommittee of the House Appropriations and Senate Finance Committees, in collaboration with the Secretary of Health and Human Resources and the Department of Behavioral Health and Developmental Services, shall continue to monitor and review the closure plans for the three remaining training centers scheduled to close by 2020. As part of this review process the joint subcommittee may evaluate options for those individuals in training centers with the most intensive medical and behavioral needs to determine the appropriate types of facility or residential settings necessary to ensure the care and safety of those residents is appropriately factored into the overall plan to transition to a more community-based system. In addition, the joint subcommittee may review the plans for the redesign of the Intellectual Disability, Developmental Disability and Day Support Waivers.

2. To assist the joint subcommittee, the Department of Behavioral Health and Developmental Services shall provide a quarterly accounting of the costs to operate and maintain each of the existing training centers at a level of detail as determined by the joint subcommittee. The quarterly reports for the first, second and third quarter shall be due to the joint subcommittee 20 days after the close of the quarter. The fourth quarter report shall be due on August 15 of each year.

3. The Department of Behavioral Health and Developmental Services shall provide an update to the Special Joint Subcommittee to Consult on the Plan to Close State Training Centers no later than June 30, 2019, regarding any Public-Private Partnerships for CVTC that may allow continued operation in some form, whether such proposal has been officially proposed or not. The Commissioner of the Department of Behavioral Health and Developmental Services shall provide all information and analysis related to any proposals received under the Public-Private Education Facilities and Infrastructure Act to the Joint Subcommittee.

4. The Department of Behavioral Health and Developmental Services shall provide a report to the Joint Subcommittee regarding all remaining residents at Central Virginia Training Center by April 30, 2019. The report shall provide data that provides details on the needs of those individuals that remain and what services they would need in the community. The department shall also provide data regarding the number of behavioral specialists in the Commonwealth available to meet the needs of individuals with developmental disabilities in Virginia's waiver program and an update on the overall crisis system for children and adults with developmental disabilities, including data regarding the need for these services, current services available, and outcomes for those using the current system.

N. The Department of Behavioral Health and Developmental Services in collaboration with the Department of Medical Assistance Services shall provide a detailed report for each fiscal year on the budget, expenditures, and number of recipients for each specific intellectual disability (ID) and developmental disability (DD) service provided through the Medicaid program or other programs in the Department of Behavioral Health and Developmental Services. This report shall also include the overall budget and expenditures for the ID, DD and Day Support waivers separately. The Department of Medical Assistance Services shall provide the necessary information to the Department of Behavioral Health and Developmental Services 90 days after the end of each fiscal year. This information shall be published on the Department of Behavioral Health and Developmental Services' website within 120 days after the end of each fiscal year.

O. Effective July 1, 2015, the Department of Behavioral Health and Developmental Services shall not charge any fee to Community Services Boards or private providers for use of the knowledge center, an on-line training system.

P. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund shall be used to provide mental health first aid training and certification to recognize and respond to mental or emotional distress. Funding shall be used to cover the cost of personnel dedicated to this activity, training, manuals, and certification for all those receiving the training.

Q. Out of this appropriation, $752,170 the second year from the general fund is provided to establish community support teams responsible for the development and oversight of a continuum of integrated community settings for individuals leaving state hospitals.

R. The Department of Behavioral Health and Developmental Services and the Department of Medical Assistance Services shall recognize Certified Employment Support Professional (CESP) and Association of Community Rehabilitation Educators (ACRE) certifications in lieu of competency requirements for supported employment staff in the developmental disability Medicaid waiver programs to allow providers that are Department of Aging and Rehabilitative Services (DARS) vendors that hold a national three-year accreditation from the National Council on Accreditation of Rehabilitation Facilities (CARF) to be deemed qualified to meet employment competency requirements.

S. Out of this appropriation, $250,000 the first year from special funds is designated to conduct the next phase of Environmental Site Assessment (ESA) at the Central Virginia Training Center to assess the presence of contaminants in the soil and ground water from the high and medium priority findings presented in the Site Specific Environmental Conditions Assessment that was performed by EEE Consulting, Inc, in July 2017. The Department of Behavioral Health and Developmental Services shall be responsible for conducting and reporting results of the assessment by December 1, 2018, to the Governor and General Assembly. The department may request assistance from the Department of General Services in procuring the services for this assessment.

T. The Department of Behavioral Health and Developmental Services is authorized to receive unsolicited proposals and to solicit proposals under the Public-Private Education Facilities and Infrastructure Act (PPEA), Chapter 22.1 of Title 56, Code of Virginia, as amended, to partner with private not-for-profit entities described under Section 501(c)(3) of the federal Internal Revenue Code to provide the necessary level of care for residents at the Central Virginia Training Center, which could include either intermediate care or a nursing facility level of care. The department shall provide to proposers such relevant information, including financial information, capital assets of the training center, operational details, information regarding current medical and long-term care needs of training center residents, in accordance with federal law, and other information as may be reasonably requested, in order to assist proposers in developing and submitting a proposal. Proposals may include managing or leasing state property, including some or all of the buildings at the training center and may also include other facility options offsite from the training center. Review and approval, if any, of proposals shall follow the requirements of Chapter 22.1 of Title 56, Code of Virginia, and shall include information provided by the Department of Treasury as to state funding of the training center and the financial consequences related to such funding of entering into a comprehensive agreement under the PPEA. If a proposal is recommended for approval, after review and consideration by the Secretary of Health and Human Resources, the Department Behavioral Health and Developmental Services shall notify the Chairmen of the House Appropriations and Senate Finance Committees at least thirty days prior to the award of same and execution of any related comprehensive agreement with details regarding the recommended proposal, and any operational, financial and legal impacts associated with it, including general fund effects.

U.1. The Department of General Services (DGS), with the cooperation of the Department of Behavioral Health and Developmental Services (DBHDS), shall work with James City County to identify the amount of acreage needed on the Eastern State Hospital site to be purchased or leased at fair market value by James City County for the co-location of a new facility for Old Town Medical Center and Colonial Behavior Health and the the development of a community project that serves as a residence for 25 families impacted by a member with serious mental illness by Hope Family Village Corporation.

2. As part of this process, DCS will work with James City County to update the James City County comprehensive plan to assist with a master development plan, including the subject acres, of the entire site to maximize the economic development opportunities, expedite the rezoning process and the receipt of funds for DBHDS Mental Health Trust fund from the sale(s) of surplus property.

V. The Department of Behavioral Health and Developmental Services for each fiscal year shall report the number of waiver slots, by waiver, that becomes available for reallocation during the year. In addition, the department shall report on the allocation of emergency waiver slots and reserve slots, which shall include how many slots were allocated in the year and for which waiver. The information on reserve slots shall indicate for which waiver the reserve slot was used and the waiver from which the individual moved that was granted the slot. Furthermore, the report shall show the allocations by each Community Services Board from new waiver slots, emergency slots and reserve slots for the year. The department shall submit this report for the prior fiscal year, ending June 30, by September 1 of each year.

W. The Department of Behavioral Health and Developmental Services in conjunction with the Department of the Treasury shall report on the outstanding bonds related to the future closure of the Southwest Virginia Training Center and the Central Virginia Training Center. The report shall indicate the anticipated outstanding bond balance for the date of the planned facility closure based on facility funding as of the date of the report and the anticipated outstanding balance each year thereafter until such time as all bonds would be repaid on those facilities. The department shall submit the report to the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2018.

X.1. Out of this appropriation, $75,000 the second year from the general fund is provided for compensation to individuals who were involuntarily sterilized pursuant to the Virginia Eugenical Sterilization Act and who were living as of February 1, 2015. Any funds that are appropriated but remain unspent at the end of the fiscal year shall be carried forward into the subsequent fiscal year in order to provide compensation to individuals who qualify for compensation.

2. A claim may be submitted on behalf of an individual by a person lawfully authorized to act on the individual's behalf. A claim may be submitted by the estate of or personal representative of an individual who died on or after February 1, 2015.

3. Reimbursement shall be contingent on the individual or their representative providing appropriate documentation and information to certify the claim under guidelines established by the department.

4. Reimbursement per verified claim shall be $25,000 and shall be contingent on funding being available, with disbursements being prioritized based on the date at which sufficient documentation is provided.

5. Should the funding provided in the paragraph be exhausted prior to the end of the fiscal year, the department may use available special fund revenue balances to provide compensation. The department shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on a quarterly basis on the number of additional individuals who have applied.

Y.1. The Department of Behavioral Health and Developmental Services, in consultation with the Department of Medical Assistance Services, shall, on a monthly basis, monitor the fiscal impact of Medicaid expansion on community services boards. The Department of Behavioral Health and Developmental Services shall require community services boards to submit monthly expenditure reports documenting additional federal revenues received as a result of Medicaid expansion on a timely basis. In the event that the reduction in general fund appropriation allocated to a community services board in this Act in anticipation of additional revenues from Medicaid expansion exceeds, by more than ten percent, the total additional revenue collections as of May 15, 2019, the Commissioner, Department of Behavioral Health and Developmental Services, may allocate up to $7,000,000 from available special fund revenue balances to address shortfalls, on a pro rata basis, if necessary.

2. Prior to the distribution of any special revenue fund balances for this purpose, the Department shall notify the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance Committees.

3. The Department of Behavioral Health and Developmental Services, in consultation with the Department of Medical Assistance Services, shall submit a letter to the Secretary of Health and Human Resources and the Chairmen of the House Appropriations and Senate Finance Committees by May 15, 2019, and each fiscal quarter thereafter, that reports on: (i) the state general fund reductions taken by each Community Services Board (CSB) or Behavioral Health Authority (BHA) in fiscal year 2019 in anticipation of projected savings from the expansion of Medicaid eligibility to existing CSB clients who were previously uninsured; (ii) the actual Medicaid-generated reimbursements realized by each CSB/BHA in fiscal year 2019 as a result of the expansion of Medicaid eligibility to existing CSB clients who were previously uninsured; (iii) the state general fund reductions to be taken by each CSB/BHA in fiscal year 2020 in anticipation of projected savings from the expansion of Medicaid eligibility; and (iv) the amount of Medicaid reimbursements that each CSB/BHA would have to achieve in order to meet the anticipated general fund savings/budget reductions in fiscal year 2020, as well as any actions the Department proposes to take to address any shortfalls and to ensure continuity in the provision of services. The Department of Medical Assistance Services shall require the managed care organizations to report encounter data impacting Community Services Boards on a monthly basis, with the data submitted no later than 20 days after the end of each month in order to determine the revenue impact to fulfill the intent of this paragraph.

Z. Upon approval by the 2020 General Assembly, the Department of Behavioral Health and Developmental Services shall have the authority to promulgate regulations to: (i) ensure that licensing regulations support high quality community-based mental health services and align with changes being made to the Medicaid behavioral health regulations that support evidence-based, trauma-informed, prevention-focused and cost-effective services for individuals served across the lifespan; and (ii) incorporate the American Society of Addiction Medicine Levels of Care Criteria or an equivalent set of criteria into substance use licensing regulations to ensure the provision of outcome-oriented and strengths-based care in the treatment of addiction.

AA. The Department of Behavioral Health and Development Services and the Department of Medical Assistance Services shall not implement the proposed individualized supports budget process for the Medicaid Community Living, Family and Individual Support and Building Independence Waiver programs without the explicit authorization of the General Assembly through legislation or authorizing budget language.

BB. The Department of Behavioral Health and Developmental Services shall report on the allocation and funding for Programs of Assertive Community Treatment (PACT) in the Commonwealth. The report shall include information on the cost of each team, the cost per individual served and the cost effectiveness of each PACT in diverting individuals from state and local hospitalization and stabilizing individuals in the community. The department shall provide the report to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2019.

CC.1. The Department of Behavioral Health and Developmental Services shall establish a workgroup, which shall include the Virginia Hospital and Healthcare Association, other state agencies, and other stakeholders as deemed necessary by the department, to examine the impact of Temporary Detention Order admissions on the state behavioral health hospitals. The workgroup shall develop options to relieve the census pressure on state behavioral health hospitals, which shall include options for diverting more admissions to private hospitals and other opportunities to increase community services that may reduce the number of Temporary Detention Orders. The workgroup shall develop an action plan, that includes actions that can be implemented immediately and other actions that may require action by the 2020 General Assembly. The action plan shall take into account the need to take short-term actions to relieve the census pressure on state behavioral health hospitals in order to develop a plan for the right sizing of the state behavioral health hospital system. The department shall report its findings to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2019.

2. In conjunction with the workgroup in paragraph CC.1., the Department of Behavioral Health and Developmental Services shall develop a conceptual plan to "right size" the state behavioral health hospital system, including future capacity and distribution of capacity, that aligns with the action plan that is recommended by the workgroup. The department shall submit the plan to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2019.

3. As part of the plan in paragraph CC.2., the Department of Behavioral Health and Developmental Services shall include a proposal for construction of a new Central State Hospital. The plan shall establish the scope of the new hospital within a "right sized" system and the appropriate timeline to coincide with efforts to relieve census pressures on the state mental health hospital system.

DD. The Department of Behavioral Health and Developmental Services shall work with the Fairfax-Falls Church Community Services Board, and the provider, to ensure that future openings for the Miller House in Falls Church allow residents of Falls Church, that have been allocated a developmental disability waiver slot, be given first choice in the Miller House, if the group home is appropriate to meet their needs. In addition, the department shall work with the Community Services Board and the City of Falls Church to explore options for establishing a special allocation within the Community Services Board allocation of waiver slots for Falls Church residents who are on the Priority One waiting list and could live in the Miller House when future openings occur in the group home.

4. Also as part of the plan in paragraph CC.2., DBHDS, in consultation with the Department of General Services, shall address the feasibility of relocating forensic beds to state-owned property other than the current Central State Hospital location authorized in C-48.10. The analysis shall at a minimum address the issue of cost and timeline for construction.

EE. The Department of Behavioral Health and Developmental Services shall lease 25 acres of land at Eastern State Hospital to Hope Family Village Corporation for one dollar for the development of a village of residence and common areas to create a culture of self-care and neighborly support for families and their loved ones impacted by serious mental illness. The department shall work with the Hope Family Village Corporation to identify a 25 acre plot of land that is suitable for the project.

FF. The Department of Behavioral Health and Developmental Services shall report a detailed accounting, annually, of the agency's organization and operations. This report shall include an organizational chart that shows all full- and part-time positions (by job title) employed by the agency as well as the current management structure and unit responsibilities. The report shall also provide a summary of organization changes implemented over the previous year. The report shall be made available on the department's website by August 15, of each year.

GG. The Department of Behavioral Health and Developmental Services shall facilitate a mental health coordination workgroup in the Northern Virginia region so that public and private providers of services and advocates for such services may collectively determine how to develop the most effective and most comprehensive services for persons who need such services. This mental health coordination workgroup shall seek agreement on how the services provided can best promote mental health, help people receive services needed when they are needed, provide intensive treatment when needed, ensure that crisis care is provided, provide care management in ways that help maintain mental health, and provide the supportive services necessary for individuals with mental health needs to live fully within the community. Participants in the workgroup shall include but not be limited to community services boards, state facilities and programs, private hospitals, partial hospitalization and crisis stabilization programs, residential treatment facilities, private community providers, criminal justice personnel, consumers and advocates for consumers, and others. The department shall facilitate the initiation of the workgroup and once it is fully operational shall allow it to operate independently, however the department may continue to participate in the workgroup to provide assistance as needed. The department shall report on the composition, participation and any actions of the workgroup to the Chairmen of the House Appropriations and Senate Finance Committees by November 30, 2019.

HH. The Department of Behavioral Health and Developmental Services shall develop and implement a plan to manage the census at Catawba Hospital and to reduce the number of staffed beds to 110 by no later than June 30, 2021. As part of the plan the department

shall consider all opportunities to maximize the use of funding provided for the purpose of reducing the census across the state mental health hospitals. The department shall submit its plan to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by June 30, 2020.

II. Notwithstanding the provisions of Acts of Assembly Chapter 610 of the 2019 Session or any other provision of law, the Department of General Services is hereby authorized to sell, pursuant to § 2.2-1156, certain real property in Carroll County outside the town of Hillsville on which the former Southwestern Virginia Training Center was situated, subject to the following conditions: (1) the sale price shall be, at a minimum, an amount sufficient to fully cover any debt or other financial obligations currently on the property; (2) the purchaser shall be responsible for all transactional expenses associated with the transfer of the property; and (3) the sale shall be made to a health care company that agrees to use the property for the provision of health care services for a minimum of five years established through a deed restriction.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
311. Central Office Managed Community and Individual Health Services (44400).....			$12,960,077	$19,030,992
Individual and Developmental Disability Services (44401).....	$4,810,077	$5,800,992		
Mental Health Services (44402).....	$8,150,000	$11,630,000		
Substance Abuse Services (44403).....	$0	$1,600,000		
Fund Sources: General.....	$12,960,077	$19,030,992		

Authority: Title 16.1, Article 18, and Title 37.2, Chapters 2, 3, 4, 5, 6 and 7, and Title 2.2, Chapters 26 and 53 Code of Virginia; P.L. 102-119, Federal Code.

A. Out of this appropriation, $3,900,000 the first year and $5,200,000 the second year from the general fund shall be used for Developmental Disability Health Support Networks in regions served, or previously served, by Southside Virginia Training Center, Central Virginia Training Center, Northern Virginia Training Center, and Southwestern Virginia Training Center.

B. Out of this appropriation, $565,000 the first year and $565,000 the second year from the general fund shall be used to provide community-based services to individuals transitioning from state training centers to community settings who are not eligible for Medicaid.

C. Out of this appropriation, $2,900,000 the first year and $2,900,000 the second year from the general fund shall be used to address census issues at state facilities by providing community-based services for those individuals determined clinically ready for discharge or for the diversion of admissions to state facilities by purchasing acute inpatient or community-based psychiatric services at private facilities.

D. Out of this appropriation, $1,750,000 the first year and $1,750,000 the second year from the general fund is provided for the development or acquisition of clinically appropriate housing options to provide comprehensive community-based care for individuals in state hospitals who have complex and resource-intensive needs who have been clinically determined able to move from a hospital to a more integrated setting. In addition, $250,000 the second year from the general fund is provided for a community support team to assist housing providers in addressing the complex needs of residents who have been discharged from state facilities or individuals who are at risk of institutionalization.

E. Out of this appropriation, $2,500,000 the first year and $4,500,000 the second year from the general fund shall be provided to the Department of Behavioral Health and Developmental Services to provide alternative transportation for adults and children under a temporary detention order. The department shall structure the contract to phase in the program over a three-year period such that in year three the contract will result in the provision of services statewide. The department shall report on the disbursement of the funds to the Governor and Chairmen of the House Appropriations and Senate Finance Committees no later than November 1, 2018. Annually, thereafter on October 1, the department shall report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees on the effectiveness and outcomes of the program funding.

F. Out of this appropriation, $1,230,000 the second year from the general fund shall be provided to the Department of Behavioral Health and Developmental Services to contract with the Virginia Mental Health Access Program to develop integrated mental health services for children.

G. Out of this appropriation, $1,600,000 the second year from the general fund shall be used to purchase and distribute additional REVIVE! kits and associated doses of naloxone used to treat emergency cases of opioid overdose or suspected opioid overdose.

H. Upon passage of this Act, the Department of Behavioral Health and Developmental Services shall establish a workgroup, including stakeholders as deemed necessary by the Department, to examine and identify possible alternative treatment services and sites for minors that otherwise would be placed at the Commonwealth Center for Children and Adolescents (CCCA). The work group shall also examine underlying systemic issues that are contributing to the increase in admissions and projected admissions at CCCA and identify potential strategies and recommendations for reducing admissions to CCCA. The membership of the work group shall include representatives from the Department of Medical Assistance Services, the Department of Juvenile Justice, the Office of Children's Services, the Virginia Association of Community Services Boards, the Virginia Hospital and Healthcare Association, VOICES, the Virginia Coalition of Private Provider Associations, the Virginia Network of Private Providers, and other relevant stakeholders. The workgroup will submit its findings to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by June 15, 2020.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Department of Behavioral Health and Developmental Services.....			**$114,797,435**	~~**$121,800,944**~~ **$138,347,159**
General Fund Positions.....	399.75	~~423.50~~ 451.50		
Nongeneral Fund	31.25	31.25		

Positions.....		
Position Level.....	431.00	~~454.75~~ 482.75
Fund Sources: General.....	$70,014,613	~~$78,224,286~~ $80,317,330
Special.....	$15,664,192	~~$15,414,192~~ $29,867,363
Dedicated Special Revenue.....	$1,200,000	$0
Federal Trust.....	$27,918,630	$28,162,466

Grants to Localities (790)

	Item Details($)		Appropriati	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Yea FY2020
312. Financial Assistance for Health Services (44500)).....			$465,217,537	~~$504,170,49~~ $505,418,30
Community Substance Abuse Services (44501).....	$116,094,031	$121,844,031		
Community Mental Health Services (44506).....	$267,125,162	$287,571,247		
Community Developmental Disability Services..... (44507)	$81,998,344	~~$94,755,213~~ $96,003,031		
Fund Sources: General	$371,417,537	~~$411,670,491~~ $412,918,309		
Dedicated Special Revenue.....	$3,800,000	$2,500,000		
Federal Trust.....	$90,000,000	$90,000,000		

Authority: Title 37.2, Chapters 5 and 6; Title 2.2, Chapter 53, Code of Virginia.

A. It is the intent of the General Assembly that community mental health, intellectual disability and substance abuse services are to be improved throughout the state. Funds provided in this Item shall not be used to supplant the funding effort provided by localities for services existing as of June 30, 1996.

B. Further, it is the intent of the General Assembly that funds appropriated for this Item may be used by Community Services Boards to purchase, develop, lease, or otherwise obtain, in accordance with §§ 37.2-504 and 37.2-605, Code of Virginia, real property necessary to the provision of residential services funded by this Item.

C. Out of the appropriation for this Item, funds are provided to Community Services Boards in an amount sufficient to reimburse the Virginia Housing Development Authority for principal and interest payments on residential projects for the mentally disabled financed by the Housing Authority.

D. The Department of Behavioral Health and Developmental Services shall make payments to the Community Services Boards from this Item in twenty-four equal semimonthly installments, except for necessary budget revisions or the operational phase-in of new programs.

E. Failure of a board to participate in Medicaid covered services and to meet all requirements for provider participation shall result in the termination of a like amount of state grant support.

F. Community Services Boards may establish a line of credit loan for up to three months' operating expenses to assure adequate cash flow.

G. Out of this appropriation $190,000 the first year and $190,000 the second year from the general fund shall be provided to Virginia Commonwealth University for the continued operation and expansion of the Virginia Autism Resource Center.

H.1. Out of this appropriation, $18,587,143 the first year and ~~$19,761,265~~ $21,009,083 the second year from the general fund shall be provided for Virginia's Part C Early Intervention System for infants and toddlers with disabilities.

2. By November 15 of each year, the department shall report to the Chairmen of the House Appropriations and Senate Finance Committees on the (a) total revenues used to support Part C services, (b) total expenses for all Part C services, (c) total number of infants, toddlers and families served using all Part C revenues, and (d) services provided to those infants, toddlers, and families.

I. Out of this appropriation $6,148,128 the first year and $6,148,128 the second year from the general fund shall be provided for mental health services for children and adolescents with serious emotional disturbances and related disorders, with priority placed on those children who, absent services, are at-risk for custody relinquishment, as determined by the Family and Assessment Planning Team of the locality. The Department of Behavioral Health and Developmental Services shall provide these funds to Community Services Boards through the annual Performance Contract. These funds shall be used exclusively for children and adolescents, not mandated for services under the Comprehensive Services Act for At-Risk Youth, who are identified and assessed through the Family and Assessment Planning Teams and approved by the Community Policy and Management Teams of the localities. The department shall provide these funds to the Community Services Boards based on an individualized plan of care methodology.

J. The Commissioner, Department of Behavioral Health and Developmental Services shall allocate $1,000,000 the first year and $1,000,000 the second year from the federal Community Mental Health Services Block Grant for two specialized geriatric mental health services programs. One program shall be located in Health Planning Region II and one shall be located in Health Planning Region V. The programs shall serve elderly populations with mental illness who are transitioning from state mental health geriatric units to the community or who are at risk of admission to state mental health geriatric units. The commissioner is authorized to reduce the allocation in each year in an amount proportionate to any reduction in the federal Community Mental Health Services Block Grant funds awarded to the Commonwealth.

K. The Commissioner, Department of Behavioral Health and Developmental Services shall allocate $750,000 the first year and $750,000 the second year from the federal Community Mental Health Services Block Grant for consumer-directed programs offering specialized mental health services that promote wellness, recovery and improved self-management. The commissioner is authorized to

reduce the allocation in each year in an amount proportionate to any reduction in the federal Community Mental Health Services Block Grant funds awarded to the Commonwealth.

L. Out of this appropriation, $2,197,050 the first year and $2,197,050 the second year from the general fund shall be used for jail diversion and reentry services. Funds shall be distributed to community-based contractors based on need and community preparedness as determined by the commissioner.

M. Out of this appropriation, $2,400,000 the first year and $2,400,000 the second year from the general fund shall be used for treatment and support services for substance use disorders, including individuals with acquired brain injury and co-occurring substance use disorders. Funded services shall focus on recovery models and the use of best practices.

N. Out of this appropriation, $2,780,645 the first year and $2,780,645 the second year from the general fund shall be used to provide outpatient clinician services to children with mental health needs. Each Community Services Board shall receive funding as determined by the commissioner to increase the availability of specialized mental health services for children. The department shall require that each Community Services Board receiving these funds agree to cooperate with Court Service Units in their catchment areas to provide services to mandated and nonmandated children, in their communities, who have been brought before Juvenile and Domestic Relations Courts and for whom treatment services are needed to reduce the risk these children pose to themselves and their communities or who have been referred for services through family assessment and planning teams through the Comprehensive Services Act for At-Risk Youth and Families.

O. Out of this appropriation, $17,701,997 the first year and $17,701,997 the second year from the general fund shall be used to provide emergency services, crisis stabilization services, case management, and inpatient and outpatient mental health services for individuals who are in need of emergency mental health services or who meet the criteria for mental health treatment set forth pursuant to §§ 19.2-169.6, 19.2-176, 19.2-177.1, 37.2-808, 37.2-809, 37.2-813, 37.2-815, 37.2-816, 37.2-817 and 53.1-40.2 of the Code of Virginia. Funding provided in this item also shall be used to offset the fiscal impact of (i) establishing and providing mandatory outpatient treatment, pursuant to House Bill 499 and Senate Bill 246, 2008 Session of General Assembly; and (ii) attendance at involuntary commitment hearings by community services board staff who have completed the prescreening report, pursuant to §§ 19.2-169.6, 19.2-176, 19.2-177.1, 37.2-808, 37.2-809, 37.2-813, 37.2-815, 37.2-816, 37.2-817 and 53.1-40.2 of the Code of Virginia.

P. Out of this appropriation, $10,056,250 the first year and $10,475,000 the second year from the general fund shall be used to provide community crisis intervention services in each region for individuals with intellectual or developmental disabilities and co-occurring mental health or behavioral disorders.

Q. Out of this appropriation, $1,900,000 the first year and $1,900,000 the second year from the general fund shall be used to expand community-based services in Health Planning Region V. These funds shall be used for services intended to delay or deter placement, or provide discharge assistance for patients in a state mental health facility.

R. Out of this appropriation, $2,000,000 the first year and $2,000,000 the second year from the general fund shall be used to expand crisis stabilization and related services statewide intended to delay or deter placement in a state mental health facility.

S. Out of this appropriation, $8,400,000 the first year and $8,400,000 the second year from the general fund shall be used to provide child psychiatry and children's crisis response services for children with mental health and behavioral disorders. These funds, divided among the health planning regions based on the current availability of the services, shall be used to hire or contract with child psychiatrists who can provide direct clinical services, including crisis response services, as well as training and consultation with other children's health care providers in the health planning region such as general practitioners, pediatricians, nurse practitioners, and community service boards staff, to increase their expertise in the prevention, diagnosis, and treatment of children with mental health disorders. Funds may also be used to create new or enhance existing community-based crisis response services in a health planning region, including mobile crisis teams and crisis stabilization services, with the goal of diverting children from inpatient psychiatric hospitalization to less restrictive services in or near their communities. The Department of Behavioral Health and Developmental Services shall report annually on the use and impact of this funding to the Chairmen of the House Appropriations and Senate Finance Committees by October 1.

T.1. Out of this appropriation, $10,500,000 the first year and $10,500,000 the second year from the general fund shall be used for up to 32 drop-off centers to provide an alternative to incarceration for people with serious mental illness and individuals with acquired brain injury and co-occurring serious mental health illness. Priority for new funding shall be given to programs that have implemented Crisis Intervention Teams pursuant to § 9.1-102 and § 9.1-187 et seq. of the Code of Virginia and have undergone planning to implement drop-off centers.

2. Out of this appropriation, $900,000 the first year and $1,800,000 the second year from the general fund is provided for grants to establish Crisis Intervention assessment centers in six unserved rural communities.

3. Out of this appropriation, $657,648 the first year and $657,648 the second year from the general fund is provided for grants to establish CIT training programs in six rural communities.

U. Out of this appropriation, $2,375,000 the first year and $2,750,000 the second year from the general fund shall be used to develop and implement crisis services for children with intellectual or developmental disabilities.

V. Out of this appropriation, $29,758,441 the first year and $37,298,441 the second year from the general fund shall be used to provide community-based services or acute inpatient services in a private facility to individuals residing in state hospitals who have been determined clinically ready for discharge, and for continued services for those individuals currently being served under a discharge assistance plan. Of this appropriation, $1,305,000 the first year and $1,305,000 the second year shall be allocated for individuals currently or previously residing at Western State Hospital.

W. Out of this appropriation, $620,000 the first year and $620,000 the second year from the general fund shall be used to expand access to telepsychiatry and telemedicine services.

X. Out of this appropriation, $4,000,000 the first year and $4,000,000 the second year from the general fund shall be used to increase availability of community-based mental health outpatient services for youth and young adults.

Y. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be used to increase mental health inpatient treatment purchased in community hospitals. Priority shall be given to regions that exhaust available resources before the end of the year in order to ensure treatment is provided in the community and do not result in more restrictive placements.

Z. Out of this appropriation, $10,496,105 the first year and $17,083,710 the second year from the general fund is provided for programs for permanent or transitional housing for individuals with serious mental illness. Of this amount, $8,970,500 the first year and $8,970,500 the second year shall be used for permanent supportive housing to support rental subsidies and services to be administered by community services boards or private entities to provide stable, supportive housing for persons with serious mental illness. Remaining amounts may be used to expand permanent supportive housing programs or to provide transitional housing supports for individuals with serious mental illness being discharged from state facilities into the community. The Department of Behavioral Health and Developmental Services shall report on the number of individuals who are discharged from state behavioral health hospitals who receive

supportive housing services, the number of individuals who are on the hospitals' extraordinary barrier list who could receive supportive housing services, and the number of individuals in the community who receive supportive housing services and whether they are at risk of institutionalization. In addition, the department shall report on the average length of stay in permanent supportive housing for individuals receiving such services and report how the funding is reinvested when individuals discontinue receiving such services. The report shall be provided to the Chairmen of the House Appropriations and Senate Finance Committee by November 30, 2019.

AA. Out of this appropriation, $400,000 the first year and $400,000 the second year is provided for rental subsidies and associated costs for individuals served through the Rental Choice VA program.

BB. Out of this appropriation, $5,308,836 the first year and $7,897,833 the second year from the general fund shall be used for a program of rental subsidies for individuals with intellectual and developmental disabilities.

CC. Out of this appropriation, $3,800,000 the first year from the Behavioral Health and Developmental Services Trust Fund is provided for the development of provider capacity for individuals with medically complex support needs or those individuals who have multiple diagnoses.

DD. Out of this appropriation, $10,795,651 the first year and $10,795,651 the second year from the general fund shall be provided to Community Service Boards and Behavioral Health Authorities to implement same day access for community behavioral health services. The Department of Behavioral Health and Developmental Services shall report annually by October 1 to the Governor and Chairmen of the House Appropriations and Senate Finance Committees on the effectiveness and outcomes of the program funding.

EE. Out of this appropriation, $5,000,000 the first year from the federal State Targeted Response to the Opioid Crisis Grant and $5,000,000 the second year from the general fund is provided to increase access to medication assisted treatment for individuals with substance use disorders who are addicted to opioids. In expending this amount, the department shall ensure that preferred drug classes shall include non-narcotic, non-addictive, injectable prescription drug treatment regimens. The department shall ensure that a portion of the funding is used for non-narcotic, non-addictive, prescription drug treatment regimens for individuals who are: (i) on probation; (ii) in an institution, prison, or jail; or (iii) not able for clinical or other reasons to participate in buprenorphine or methadone based drug treatment regimens.

FF. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund is provided for community detoxification and sobriety services for individuals in crisis.

GG. Out of this appropriation, $880,000 the first year and $880,000 the second year from the general fund is provided for one regional, multi-disciplinary team for older adults. This team shall provide clinical, medical, nursing, and behavioral expertise and psychiatric services to nursing facilities and assisted living facilities.

HH. Out of this appropriation, $3,720,000 the first year and $7,440,000 the second year from the general fund is provided for primary care outpatient screening services at Community Services Boards and Behavioral Health Authorities as required by Chapter 607, 2017 Acts of Assembly.

II. Out of this appropriation, $15,000,000 the second year from the general fund is provided to begin phasing in an expansion of outpatient mental health and substance abuse services at Community Services Boards and Behavioral Health Authorities pursuant to the System Transformation, Excellence and Performance in Virginia (STEP-VA) process and Chapters 607 and 683, 2017 Acts of Assembly.

JJ. Out of this appropriation, $2,000,000 the second year from the general fund is provided to begin phasing in an expansion of detoxification services at Community Services Boards and Behavioral Health Authorities, pursuant to the System Transformation, Excellence and Performance in Virginia (STEP-VA) process and Chapters 607 and 683, 2017 Acts of Assembly.

KK. Out of this appropriation, $826,200 the first year and $1,652,400 the second year from the general fund shall be used to provide permanent supportive housing to pregnant or parenting women with substance use disorders.

LL. Out of this appropriation, $11,025,231 the first year and $11,025,231 the second year from the general fund shall be used to divert admissions from state hospitals by purchasing acute inpatient or community-based psychiatric services at private facilities.

MM. Out of this appropriation, $1,600,000 the first year and $1,600,000 the second year from the general fund is provided for discharge planning at jails for individuals with serious mental illness. Funding shall be used to create staff positions in Community Services Boards and will be implemented at two jails with a high percentage of inmates with serious mental illness.

NN. Out of this appropriation, $708,663 the first year and $708,663 the second year from the general fund is provided to establish an Intercept 2 diversion program in up to three rural communities. The funding shall be used for staffing and to provide access to treatment services.

OO. Out of this appropriation, $1,100,000 the first year and $1,100,000 the second year from the general fund is provided to establish the Appalachian Telemental Health Initiative, a telemental health pilot program. Any funds that remain unspent at the end of each fiscal year shall be carried forward to the subsequent fiscal year.

PP. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be provided to the Department of Behavioral Health and Developmental Services to contract with Best Buddies Virginia to expand inclusion services for people with intellectual and developmental disabilities to the Richmond and Virginia Beach areas of the state.

QQ. Out of this appropriation, $7,800,000 the second year from the general fund is provided for crisis services at Community Services Boards and Behavioral Health Authorities pursuant to the System Transformation, Excellence and Performance in Virginia (STEP-VA) process and Chapters 607 and 683, 2017 Acts of Assembly.

RR. Out of this appropriation, $200,000 the second year from the general fund is provided to the Fairfax-Falls Church Community Services Board to fully fund its Program of Assertive Community Treatment (PACT) Team.

SS. Out of this appropriation, $750,000 the second year from the Behavioral Health and Developmental Services Trust Fund shall be expended for one-time expenditures for developmental disability services across the Commonwealth. Priority shall be given to projects that serve critical service gaps for individuals with developmental disability in the Northern Virginia region (Region 2) who have been discharged from state training centers or who are at risk of institutional placement. The department shall collaborate with Community Services Boards and private providers, to determine the best use of such funds to address critical needs on a one-time basis, for individuals with developmental disabilities. The department shall report on the allocation of these funds to the Chairmen of the House Appropriations and Senate Finance Committees by no later than September 15,2019.

	Item Details($)		Appropriations($)
First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020

Total for Grants to Localities.....			$465,217,537	~~$504,170,491~~ $505,418,309
Fund Sources: General.....	$371,417,537	~~$411,670,491~~ $412,918,309		
Dedicated Special Revenue.....	$3,800,000	$2,500,000		
Federal Trust.....	$90,000,000	$90,000,000		

Mental Health Treatment Centers (792)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
313. Not set out.				
314. Not set out.				
315. Not set out.				
316. State Health Services (43000).....			$244,851,323	~~$259,088,038~~ $256,198,777
Geriatric Care Services (43006).....	$49,604,517	$49,604,517		
Inpatient Medical Services (43007).....	$18,252,833	$18,252,833		
State Mental Health Facility Services (43014).....	$176,993,973	~~$191,230,688~~ $188,341,427		
Fund Sources: General.....	$192,455,049	~~$233,372,078~~ $230,482,817		
Special.....	$52,396,274	$25,715,960		

Authority: Title 37.2, Chapters 1 through 11, Code of Virginia.

A. Out of this appropriation, $700,000 the first year and $700,000 the second year from the general fund shall be used to continue operating up to 13 beds at Northern Virginia Mental Health Institute (NVMHI) that had been scheduled for closure in fiscal year 2013. The Commissioner of the Department of Behavioral Health and Developmental Services shall ensure continued operation of at least 123 beds.

B. The Department of Behavioral Health and Developmental Services shall report by November 1 of each year to the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance Committees on the number of individuals served through discharge assistance plans and the types of services provided.

C. Out of this appropriation, $850,000 the second year from the general fund shall be used to provide transition services in alternate settings for children and adolescents who can be diverted or discharged from state facilities.

	Item Details($)		Appropriations	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
317. Facility Administrative and Support Services (49800).....			$104,915,227	$106,915,227
General Management and Direction (49801).....	$46,795,316	$48,795,316		
Information Technology Services (49802).....	$6,242,139	$6,242,139		
Food and Dietary Services (49807).....	$13,827,750	$13,827,750		
Housekeeping Services (49808).....	$8,365,167	$8,365,167		
Linen and Laundry Services (49809).....	$1,657,504	$1,657,504		
Physical Plant Services (49815).....	$21,136,325	$21,136,325		
Power Plant Operation (49817).....	$4,181,654	$4,181,654		
Training and Education Services (49825).....	$2,709,372	$2,709,372		
Fund Sources: General.....	$90,086,146	$92,086,146		
Special.....	$14,765,581	$14,765,581		
Federal Trust.....	$63,500	$63,500		

Authority: § 37.2-304, Code of Virginia.

A. Out of this appropriation, $759,000 the first year and $759,000 the second year from the general fund shall be used to ensure proper billing and maximum reimbursement for prescription drugs purchased by mental health treatment centers through the Medicare Part D drug program.

B. Notwithstanding § 37.2-319 of the Code of Virginia, the Commissioner shall prepare a plan to address the capital and programmatic needs of other state mental health facilities and state mental retardation training centers when considering expenditures from the trust fund. No less than 30 days prior to the expenditure of funds, the Commissioner shall present an expenditure plan to the Chairmen of the Senate Finance and House Appropriations Committees for their review and consideration.

	Item Details($)		Appropriations($)	
First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020	

318. Not set out.

Total for Mental Health Treatment Centers.....	**$390,122,553**	**~~$406,359,268~~ $403,470,007**
General Fund Positions.....	3,848.00	4,203.00
Nongeneral Fund Positions.....	602.00	613.00
Position Level.....	4,450.00	4,816.00
Fund Sources: General.....	$309,879,823	~~$352,796,852~~ $349,907,591
Special.....	$80,042,730	$53,362,416
Federal Trust.....	$200,000	$200,000

Intellectual Disabilities Training Centers (793)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
319. Not set out.				
320. Not set out.				
321. State Health Services (43000).....			$69,918,683	~~$69,918,683~~ $65,418,683
Inpatient Medical Services (43007).....	$32,095,261	$32,095,261		
State Intellectual Disabilities Training Center Services (43010).....	$37,823,422	~~$37,823,422~~ $33,323,422		
Fund Sources: General.....	$15,066,431	~~$15,066,431~~ $10,566,431		
Special.....	$54,852,252	$54,852,252		

Authority: Title 37.2, Chapters 1 through 11, Code of Virginia.

The Commissioner of Behavioral Health and Developmental Services shall comply with all relevant state and federal laws and Supreme Court decisions that govern the discharge of residents from state intellectual disability training centers and the granting of intellectual disability waiver slots.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
322. Not set out.				
323. Not set out.				
Total for Intellectual Disabilities Training Centers...			**$139,946,912**	**~~$136,904,289~~ $132,404,289**
General Fund Positions.....	1,092.00	1,092.00		
Nongeneral Fund Positions.....	665.00	665.00		
Position Level.....	1,757.00	1,757.00		
Fund Sources: General.....	$31,636,176	~~$28,593,553~~ $24,093,553		
Special.....	$108,110,736	$108,110,736		
Federal Trust.....	$200,000	$200,000		

Virginia Center for Behavioral Rehabilitation (794)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
324. Not set out.				
325. Secure Confinement (35700).....			$12,098,368	~~$18,159,479~~ $13,159,479
Forensic and Behavioral Rehabilitation Security (35707).....	$12,098,368	~~$18,159,479~~ $13,159,479		
Fund Sources: General.....	$12,098,368	~~$18,159,479~~ $13,159,479		

Authority: Title 37.2, Chapter 9, Code of Virginia.

	Item Details($)		Appropriations(	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
326. Not set out.				
327. Not set out.				
328. Facility Administrative and Support Services (49800).....			$14,245,696	~~$15,945,696~~ $14,445,696
General Management and Direction (49801).....	$2,164,423	~~$3,864,423~~ $2,364,423		
Information Technology Services (49802).....	$28,765	$28,765		
Food and Dietary Services (49807).....	$3,079,145	$3,079,145		
Housekeeping Services (49808).....	$428,210	$428,210		
Physical Plant Services (49815).....	$8,446,716	$8,446,716		
Training and Education Services (49825).....	$98,437	$98,437		
Fund Sources: General.....	$14,245,696	~~$15,945,696~~ $14,445,696		

Authority: Title 37.2, Chapters 1 through 11, Code of Virginia.

A. In the event that services are not available in Virginia to address the specific needs of an individual committed for treatment at the VCBR or conditionally released, or additional capacity cannot be met at the VCBR, the Commissioner is authorized to seek such services from another state.

~~B. Out of the amounts appropriated in this Item and Item 325, $7,761,111 the second year from the general fund is provided for the staffing, equipment, and other costs of operating 72 new beds at the expanded VCBR beginning in August, 2019.~~

C. Out of this appropriation, $540,000 the first year and $540,000 the second year from the general fund is provided for the treatment costs of residents diagnosed with hepatitis. The facility shall make efforts to use certified federal 340B providers for the dispensing of any associated pharmaceuticals.

D. Within 15 days of any appropriation transfer to the Virginia Center for Behavioral Rehabilitation from any other sub-agency within the Department of Behavioral Health and Developmental Services, the Department of Planning and Budget shall notify the Chairmen of the House Appropriations and Senate Finance Committees. The notice shall include the amount, fund source and reason for the transfer with an explanation of why the funding being transferred has no impact on the sub-agency from which it is transferred.

	Item Details($)		Appropriatio	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
Total for Virginia Center for Behavioral Rehabilitation.....			**$40,338,435**	**~~$48,194,740~~ $41,694,740**
General Fund Positions.....	631.50	~~778.50~~ 659.50		
Position Level.....	631.50	~~778.50~~ 659.50		
Fund Sources: General.....	$40,338,435	~~$48,194,740~~ $41,694,740		
Grand Total for Department of Behavioral Health and Developmental Services.....			**$1,150,422,872**	**~~$1,217,429,~~ $1,221,334,**
General Fund Positions.....	5,971.25	~~6,497.00~~ 6,406.00		
Nongeneral Fund Positions.....	1,298.25	1,309.25		
Position Level.....	7,269.50	~~7,806.25~~ 7,715.25		
Fund Sources: General.....	$823,286,584	~~$919,479,922~~ $908,931,523		
Special.....	$203,817,658	~~$176,887,344~~ $191,340,515		
Dedicated Special Revenue.....	$5,000,000	$2,500,000		
Federal Trust.....	$118,318,630	$118,562,466		
329. Not set out.				
330. Not set out.				
331. Not set out.				
332. Not set out.				
333. Not set out.				
334. Not set out.				
335. Not set out.				
336. Not set out.				
337. Not set out.				
338. Not set out.				

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
339. Program Management Services (45100).....			$42,408,598	~~$44,554,972~~ $43 845 249
Training and Assistance to Local Staff (45101).....	$4,986,679	$4,986,679		
Central Administration and Quality Assurance for Benefit Programs (45102).....	$12,541,044	~~$12,541,044~~ $12,457,475		
Central Administration and Quality Assurance for Family Services (45103).....	$8,491,978	~~$9,436,422~~ $10,492,054		
Central Administration and Quality Assurance for Community Programs (45105).....	$9,992,656	~~$11,194,586~~ $10,112,800		
Central Administration and Quality Assurance for Child Care Activities (45107).....	$6,396,241	~~$6,396,241~~ $5,796,241		
Fund Sources: General.....	$16,701,948	~~$18,078,365~~ $17,670,988		
Special.....	$100,000	$100,000		
Federal Trust.....	$25,606,650	~~$26,376,607~~ $26,074,261		

Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 2 and 21, Code of Virginia; Title VI, Subtitle B, PL. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A. The Department of Social Services, in collaboration with the Office of Children's Services, shall provide training to local staff serving on Family Assessment and Planning Teams and Community Policy and Management Teams. Training shall include, but need not be limited to, the federal and state requirements pertaining to the provision of the foster care services funded under § 2.2-5211, Code of Virginia. The training shall also include written guidance concerning which services remain the financial responsibility of the local departments of social services. Training shall be provided on a regional basis at least once per year. Written guidance shall be updated and provided to local Office of Children's Services teams whenever there is a change in allowable expenses under federal or state guidelines. In addition, the Department of Social Services shall provide ongoing local oversight of its federal and state requirements related to the provision of services funded under § 2.2-5211, Code of Virginia.

B.1. By November 1 of each year, the Department of Planning and Budget, in cooperation with the Department of Social Services, shall prepare and submit a forecast of expenditures for cash assistance provided through the Temporary Assistance for Needy Families (TANF) program, mandatory child day care services under TANF, foster care maintenance and adoption subsidy payments, upon which the Governor's budget recommendations will be based, for the current and subsequent two years to the Chairmen of the House Appropriations and Senate Finance Committees.

2. The forecast of expenditures shall detail the incremental general fund and federal fund adjustments required by the forecast each year in the biennial budget. The Department of Planning and Budget shall convene a meeting on or before October 15 of each year with the appropriate staff from the Department of Social Services, and the House Appropriations and Senate Finance Committees to review current trends and assumptions used in the forecasts prior to their finalization.

C. The Department of Social Services shall provide administrative support and technical assistance to the Family and Children's Trust Fund (FACT) Board of Trustees established in Sections 63.2-2100 through 63.2-2103, Code of Virginia.

D. Out of this appropriation, $1,829,111 the first year and $1,829,111 the second year from the general fund and $1,829,111 the first year and $1,829,111 the second year from nongeneral funds shall be provided to fund the Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) contract cost.

E.1. Out of this appropriation, ten positions and the associated funding shall be dedicated to providing on-going financial oversight of foster care services. Each of the ten positions, with two working out of each regional office, shall assess and review all foster care spending to ensure that state and federal standards are met. None of these positions shall be used for quality, information technology, or clerical functions.

2. By September 1 of each year, the department shall report to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget regarding the foster care program's statewide spending, error rates and compliance with state and federal reviews.

F. Out of this appropriation, $187,549 the second year from the Temporary Assistance for Needy Families block grant shall be provided to manage the two-year summer feeding pilot program, beginning June 2020 and ending August 2022.

	Item Details($)		Appropriati	
	First Year	Second Year	First Year	Second Yea
	FY2019	FY2020	FY2019	FY2020
340. Financial Assistance for Self-Sufficiency Programs and Services (45200).....			$267,327,852	~~$280,389,94~~ $338,076,97
Temporary Assistance for Needy Families (TANF) Cash Assistance (45201).....	$65,706,200	~~$66,744,124~~ $62,984,242		
Temporary Assistance for Needy Families (TANF) Employment Services (45212).....	$21,657,833	$21,657,833		
Supplemental Nutrition Assistance Program Employment and Training (SNAPET) Services (45213).....	$4,562,444	$1,017,741		
Temporary Assistance for Needy Families (TANF) Child Care Subsidies (45214).....	$57,807,905	~~$58,676,773~~ $55,651,909		

At-Risk Child Care Subsidies (45215).....	$110,235,948	~~$124,635,948~~ $192,635,948
Unemployed Parents Cash Assistance (45216).....	$7,357,522	~~$7,657,522~~ $4,129,297
Fund Sources: General.....	$81,518,741	~~$81,818,741~~ $78,290,516
Federal Trust.....	$185,809,111	~~$198,571,200~~ $259,786,454

Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 1 through 7, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

~~105,002,723A~~. It is hereby acknowledged that as of June 30, 2017 there existed with the federal government an unexpended balance of $123,754,882 in federal Temporary Assistance for Needy Families (TANF) block grant funds which are available to the Commonwealth of Virginia to reimburse expenditures incurred in accordance with the adopted State Plan for the TANF program. Based on projected spending levels and appropriations in this act, the Commonwealth's accumulated balance for authorized federal TANF block grant funds is estimated at $136,288,696 on June 30, 2018; $124,901,366 on June 30, 2019; and ~~$105,902,723~~ $132,893,708 on June 30, 2020.

B. No less than 30 days prior to submitting any amendment to the federal government related to the State Plan for the Temporary Assistance for Needy Families program, the Commissioner of the Department of Social Services shall provide the Chairmen of the House Appropriations and Senate Finance Committees as well as the Director, Department of Planning and Budget written documentation detailing the proposed policy changes. This documentation shall include an estimate of the fiscal impact of the proposed changes and information summarizing public comment that was received on the proposed changes.

C. Notwithstanding any other provision of state law, the Department of Social Services shall maintain a separate state program, as that term is defined by federal regulations governing the Temporary Assistance for Needy Families (TANF) program, 45 C.F.R. § 260.30, for the purpose of providing welfare cash assistance payments to able-bodied two-parent families. The separate state program shall be funded by state funds and operated outside of the TANF program. Able-bodied two-parent families shall not be eligible for TANF cash assistance as defined at 45 C.F.R. § 260.31 (a)(1), but shall receive benefits under the separate state program provided for in this paragraph. Although various conditions and eligibility requirements may be different under the separate state program, the basic benefit payment for which two-parent families are eligible under the separate state program shall not be less than what they would have received under TANF. The Department of Social Services shall establish regulations to govern this separate state program.

D. As a condition of this appropriation, the Department of Social Services shall disregard the value of one motor vehicle per assistance unit in determining eligibility for cash assistance in the Temporary Assistance for Needy Families (TANF) program and in the separate state program for able-bodied two-parent families.

E. The Department of Social Services, in collaboration with local departments of social services, shall maintain minimum performance standards for all local departments of social services participating in the Virginia Initiative for Employment, Not Welfare (VIEW) program. The department shall allocate VIEW funds to local departments of social services based on these performance standards and VIEW caseloads. The allocation formula shall be developed and revised in cooperation with the local social services departments and the Department of Planning and Budget.

F. A participant whose Temporary Assistance for Needy Families (TANF) financial assistance is terminated due to the receipt of 24 months of assistance as specified in § 63.2-612, Code of Virginia, or due to the closure of the TANF case prior to the completion of 24 months of TANF assistance, excluding cases closed with a sanction for noncompliance with the Virginia Initiative for Employment Not Welfare program, shall be eligible to receive employment and training assistance for up to 12 months after termination, if needed, in addition to other transitional services provided pursuant to § 63.2-611, Code of Virginia.

G. The Department of Social Services, in conjunction with the Department of Correctional Education, shall identify and apply for federal, private and faith-based grants for prerelease parenting programs for non-custodial incarcerated parent offenders committed to the Department of Corrections, including but not limited to the following grant programs: Promoting Responsible Fatherhood and Healthy Marriages, State Child Access and Visitation Block Grant, Serious and Violent Offender Reentry Initiative Collaboration, Special Improvement Projects, § 1115 Social Security Demonstration Grants, and any new grant programs authorized under the federal Temporary Assistance for Needy Families (TANF) block grant program.

H.1. Out of this appropriation, $10,703,748 the first year and $10,703,748 the second year from nongeneral funds is included for Head Start wraparound child care services.

2. Included in this Item is funding to carry out the former responsibilities of the Virginia Council on Child Day Care and Early Childhood Programs. Nongeneral fund appropriations allocated for uses associated with the Head Start program shall not be transferred for any other use until eligible Head Start families have been fully served. Any remaining funds may be used to provide services to enrolled low-income families in accordance with federal and state requirements. Families, who are working or in education and training programs, with income at or below the poverty level, whose children are enrolled in Head Start wraparound programs paid for with the federal block grant funding in this Item shall not be required to pay fees for these wraparound services.

I. Out of this appropriation, $2,647,305 the first year and $2,647,305 the second year from the general fund and $72,503,762 the first year and $72,503,762 the second year from federal funds shall be provided to support state child care programs which will be administered on a sliding scale basis to income eligible families. The sliding fee scale and eligibility criteria are to be set according to the rules and regulations of the State Board of Social Services, except that the income eligibility thresholds for child care assistance shall account for variations in the local cost of living index by metropolitan statistical areas. The Department of Social Services shall make the necessary amendments to the Child Care and Development Funds Plan to accomplish this intent. Funds shall be targeted to families who are most in need of assistance with child care costs. Localities may exceed the standards established by the state by supplementing state funds with local funds.

J. Out of this appropriation, $600,000 the first year and $600,000 the second year from nongeneral funds shall be used to provide scholarships to students in early childhood education and related majors who plan to work in the field, or already are working in the field, whether in public schools, child care or other early childhood programs, and who enroll in a state community college or a state supported senior institution of higher education.

K. Out of this appropriation, $505,000 the first year and $505,000 the second year from nongeneral funds shall be used to provide training of individuals in the field of early childhood education.

L. Out of this appropriation, $300,000 the first year and $300,000 the second year from nongeneral funds shall be used to provide child care assistance for children in homeless and domestic violence shelters.

M. Out of this appropriation, the Department of Social Services shall use $4,800,000 the first year and $4,800,000 the second year from the federal Temporary Assistance to Needy Families (TANF) block grant to provide to each TANF recipient with two or more children in the assistance unit a monthly TANF supplement equal to the amount the Division of Child Support Enforcement collects up to $200, less the $100 disregard passed through to such recipient. The TANF child support supplement shall be paid within two months following collection of the child support payment or payments used to determine the amount of such supplement. For purposes of determining eligibility for medical assistance services, the TANF supplement described in this paragraph shall be disregarded. In the event there are sufficient federal TANF funds to provide all other assistance required by the TANF State Plan, the Commissioner may use unobligated federal TANF block grant funds in excess of this appropriation to provide the TANF supplement described in this paragraph.

N. The Board of Social Services shall combine Groups I and II for the purposes of Temporary Assistance to Needy Families cash benefits and use the Group II rates for the new group.

O. The Department of Social Services, in cooperation with the University of Virginia's Center for Advanced Study of Teaching and Learning, shall (i) develop a list of research-based, age-appropriate curricula to be available as a resource for child care providers participating in the child care subsidy program, and (ii) develop, publish and maintain a list of professional development courses and providers to be available as resources for child care professionals participating in the child care subsidy program.

P. The Department of Social Services shall submit a plan on the intended allocation and spending of additional federal Child Care and Development Fund monies to improve access to and quality of child day care in Virginia that are received pursuant to the Consolidated Appropriations Act of 2018, PL 115-141. The plan shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2018.

Q.1. Out of this appropriation $925,000 the first year and $325,000 the second year from the federal Child Care and Development Fund (CCDF) shall be provided to implement a pilot program in cooperation with the University of Virginia Center for Advanced Study of Teaching and Learning (UVA CASTL) to improve early childhood classrooms in faith-based and private child day care centers. The pilot program shall implement UVA CASTL developed curricula, professional development and coaching modules to improve Kindergarten readiness in these centers.

2. Out of the amounts provided in O.I., $525,000 the first year shall be used to implement the pilot program in 50 early childhood classrooms in faith-based and private child day care centers and $400,000 the first year from the federal CCDF shall be provided to develop a version of the Virginia Kindergarten Readiness Program for the pilot program to use in assessing four-year-olds in these early childhood classrooms.

3. Out of the amounts provided in O.I., $325,000 the second year shall be used to implement an evaluation of the pilot program.

R. The Department of Social Services shall increase the Temporary Assistance for Needy Families (TANF) cash benefits by five percent effective July 1, 2019.

S. The Commissioner, Department of Social Services, shall develop a comprehensive plan for the Temporary Assistance to Needy Families (TANF) block grant and make recommendations to ensure the block grant is being used in the most effective manner to best support low-income families in achieving self-sufficiency. The Commissioner shall: (i) review and evaluate the current uses of TANF block grant funds; (ii) assess the effectiveness of current TANF benefits in assisting families; (iii) evaluate the effectiveness of the discretionary uses of TANF in meeting the four goals of the TANF program and whether such uses have outcome measures; and (iv) provide estimates for the costs of any recommendations in the plan. The Commissioner shall consult with stakeholders in developing the plan, and shall submit the plan to the Joint Subcommittee for Health and Human Resources Oversight by October 1, 2019.

T. Out of this appropriation, $2,532,800 the second year from the Temporary Assistance for Needy Families block grant shall be provided for a two-year summer feeding program pilot. This pilot shall provide fifty dollars for each of the months of June, July, and August on a qualifying child's family electronic benefits transaction (EBT) card. The funding shall be used to purchase meals for qualifying low-income children in areas that are currently unserved by but summer feeding programs. The pilot shall end on August 31, 2022. The department shall report on annual program performance and shall include monthly expenditures, number of children served, and localities in which children were served. This report shall be provided to the Governor, Director of the Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance committees by November 1 of each year.

U. Out of this appropriation, $66,000,000 from the federal Child Care Development Block Grant (CCDBG) funding provided by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act in the second year shall be used to provide COVID-19 incentive grants to child care providers, emergency child care, elimination of co-pays for subsidy program participants, and the extension of absence days to temporarily closed centers. This appropriation is in response to the COVID-19 pandemic.

V. Out of this appropriation, $2,000,000 from the Child Care Development Fund (CCDF) balances in the second year shall be provided to fund full-day authorization for child care for school age children and sibling enrollment for families already approved for care. This appropriation is in response to the COVID-19 pandemic.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
341. Financial Assistance for Local Social Services Staff (46000).....			$479,100,482	~~$488,984,442~~ $497,124,841
Local Staff and Operations (46010).....	$479,100,482	~~$488,984,442~~ $497,124,841		
Fund Sources: General.....	$124,596,629	$125,400,386		
Dedicated Special Revenue.....	$6,508,986	$8,659,655		
Federal Trust.....	$347,994,867	~~$354,924,401~~ $363,064,800		

Authority: Title 63.2, Chapters 1 through 7 and 9 through 16, Code of Virginia; P.L. 104-193, Titles IV A, XIX, and XXI, Social Security Act, Federal Code, as amended.

A. The amounts in this Item shall be expended under regulations of the Board of Social Services to reimburse county and city welfare/social services boards pursuant to § 63.2-401, Code of Virginia, and subject to the same percentage limitations for other administrative services performed by county and city public welfare/social services boards and superintendents of public welfare/social services pursuant to other provisions of the Code of Virginia, as amended.

B. Pursuant to the provisions of §§ 63.2-403, 63.2-406, 63.2-407, 63.2-408, and 63.2-615 Code of Virginia, all moneys deducted from funds otherwise payable out of the state treasury to the counties and cities pursuant to the provisions of § 63.2-408, Code of Virginia, shall be credited to the applicable general fund account.

C. Included in this appropriation are funds to reimburse local social service agencies for eligibility workers who interview applicants to determine qualification for public assistance benefits which include but are not limited to: Temporary Assistance for Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP); and Medicaid.

D. Included in this appropriation are funds to reimburse local social service agencies for social workers who deliver program services which include but are not limited to: child and adult protective services complaint investigations: foster care and adoption services; and adult services.

E. Out of the federal fund appropriation for local social services staff, amounts estimated at $72,000,000 the first year and $72,000,000 the second year shall be set aside for allowable local costs which exceed available general fund reimbursement and amounts estimated at $22,000,000 the first year and $22,000,000 the second year shall be set aside to reimburse local governments for allowable costs incurred in administering public assistance programs.

F. Out of this appropriation, $562,260 the first year and $562,260 the second year from the general fund and $540,211 the first year and $540,211 the second year from nongeneral funds is provided to cover the cost of the health insurance credit for retired local social services employees.

G. The Department of Social Services shall work with local departments of social services on a pilot project in the western region of the state to evaluate the available data collected by local departments on facilitated care arrangements. The department shall, based on the findings from the pilot project, determine the most appropriate mechanism for collecting and reporting such data on a statewide basis.

H.1. Out of this appropriation, $4,527,969 the first year and $4,527,969 the second year from the general fund shall be available for the reinvestment of adoption general fund savings as authorized in Title IV, parts B and E of the federal Social Security Act (P.L. 110-351).

2. Of the amount in paragraph H.1. above, $1,333,031 the first year and $1,333,031 the second year from the general fund shall be used to provide Child Protective Services (CPS) assessments and investigations in response to all reports of children born exposed to controlled substances regardless of whether the substance had been prescribed to the mother when she has sought or gained substance abuse counseling or treatment.

	Item Details($)		Appropriati	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Yea FY2020
342. Child Support Enforcement Services (46300).....			$775,255,087	~~$774,455,08~~ $768,829,31
Support Enforcement and Collection Services (46301).....	$110,348,778	~~$109,548,778~~ $103,923,005		
Public Assistance Child Support Payments (46302)	$11,000,000	$11,000,000		
Non-Public Assistance Child Support Payments (46303).....	$653,906,309	$653,906,309		
Fund Sources: General.....	$17,157,242	~~$16,882,124~~ $15,444,157		
Special.....	$691,388,199	$691,663,317		
Federal Trust.....	$66,709,646	~~$65,909,646~~ $61,721,840		

Authority: Title 20, Chapters 2 through 3.1 and 4.1 through 9; Title 63.2, Chapter 19, Code of Virginia: P.L. 104-193, as amended: P.L. 105-200, P.L. 106-113, Federal Code.

A. Any net revenue from child support enforcement collections, after all disbursements are made in accordance with state and federal statutes and regulations, and after the state's share of the cost of administering the program is paid, shall be estimated and deposited into the general fund by June 30 of the fiscal year in which it is collected. Any additional moneys determined to be available upon final determination of a fiscal year's costs of administering the program shall be deposited to the general fund by September 1 of the subsequent fiscal year in which it is collected.

B. In determining eligibility and amounts for cash assistance, pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the department shall continue to disregard up to $100 per month in child support payments and return to recipients of cash assistance up to $100 per month in child support payments collected on their behalf.

C. The state share of amounts disbursed to recipients of cash assistance pursuant to paragraph B of this Item shall be considered part of the Commonwealth's required Maintenance of Effort spending for the federal Temporary Assistance for Needy Families program established by the Social Security Act.

D. The department shall expand collections of child support payments through contracts with private vendors. However, the Department of Social Services and the Office of the Attorney General shall not contract with any private collection agency, private attorney, or other private entity for any child support enforcement activity until the State Board of Social Services has made a written determination that the activity shall be performed under a proposed contract at a lower cost than if performed by employees of the Commonwealth.

E. The Division of Child Support Enforcement, in cooperation with the Department of Medical Assistance Services, shall identify cases for which there is a medical support order requiring a noncustodial parent to contribute to the medical cost of caring for a child who is enrolled in the Medicaid or Family Access to Medical Insurance Security (FAMIS) Programs. Once identified, the division shall work with the Department of Medical Assistance Services to take appropriate enforcement actions to obtain medical support or repayments for the Medicaid program.

	Item Details($)		Appropriations($)	
First Year	Second Year	First Year	Second Year	

	FY2019	FY2020	FY2019	FY2020
343. Adult Programs and Services (46800).....			$39,661,169	$40,660,209
Auxiliary Grants for the Aged, Blind, and Disabled (46801).....	$20,998,969	$21,998,009		
Adult In-Home and Supportive Services (46802).....	$6,822,995	$6,822,995		
Domestic Violence Prevention and Support Activities (46803).....	$11,839,205	$11,839,205		
Fund Sources: General.....	$22,456,141	$23,455,181		
Federal Trust.....	$17,205,028	$17,205,028		

Authority: Title 63.2, Chapters 1, 16 and 22, Code of Virginia: Title XVI, federal Social Security Act, as amended.

A.1.a. Effective January 1, 2019, the Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services, is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of $1,292 per month, which rate is also applied to approved adult foster care homes, unless modified as indicated below. The department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight.

b. Effective July 1, 2019, the Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services, is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of $1,317 per month, which rate is also applied to approved adult foster care homes, unless modified as indicated below. The department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight.

c. Effective January 1, 2020, the Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services, is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of $1,329 per month, which rate is also applied to approved adult foster care homes, unless modified as indicated below. The department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight.

2. Effective January 1, 2013, the monthly personal care allowance for auxiliary grant recipients who reside in licensed assisted living facilities and approved adult foster care homes shall be $82 per month, unless modified as indicated below.

3. The Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services, is authorized to increase the assisted living facility and adult foster care home rates and/or the personal care allowance cited above on January 1 of each year in which the federal government increases Supplemental Security Income or Social Security rates or at any other time that the department determines that an increase is necessary to ensure that the Commonwealth continues to meet federal requirements for continuing eligibility for federal financial participation in the Medicaid program. Any such increase is subject to the prior concurrence of the Department of Planning and Budget. Within thirty days after its effective date, the Department of Social Services shall report any such increase to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees with an explanation of the reasons for the increase.

4. The Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services and the Department of Behavioral Health and Developmental Services, shall report annually by August 15, the number of individuals receiving an Auxiliary Grant supportive housing slot that were discharged from a state behavioral health hospital in the prior 12 months. The report shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees.

B. Out of this appropriation, $4,185,189 the first year and $4,185,189 in the second year from the federal Social Services Block Grant shall be allocated to provide adult companion services for low-income elderly and disabled adults.

C. The toll-free telephone hotline operated by the Department of Social Services to receive child abuse and neglect complaints shall also be publicized and used by the department to receive complaints of adult abuse and neglect.

D. Out of this appropriation, $248,750 the first year and $248,750 the second year from the general fund and $1,346,792 the first year and $1,346,792 the second year from federal Temporary Assistance for Needy Families (TANF) funds shall be provided as a grant to local domestic violence programs for purchase of crisis and core services for victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency transportation, and other crisis services as a first priority.

E. Out of this appropriation, $75,000 the first year and $75,000 the second year from the general fund and $400,000 the first year and $400,000 the second year from nongeneral funds shall be provided for the purchase of services for victims of domestic violence as stated in § 63.2-1615, Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

F. Out of this appropriation $1,100,000 the first year and $1,100,000 the second year from the general fund and $2,500,000 the first year and $2,500,000 the second year from federal Temporary Assistance to Needy Families (TANF) funds shall be provided as a grant to local domestic violence programs for services.

G. The Director, Department of Planning and Budget, shall, on or before June 30, 2019, unallot $2,000,000 from the general fund in this item, which reflects unused balances in the auxiliary grants program.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
344. Child Welfare Services (46900).....			$234,910,203	~~$238,176,201~~ $243,026,935
Foster Care Payments (46901).....	$62,854,331	~~$63,509,506~~ $59,749,196		
Supplemental Child Welfare Activities (46902).....	$36,763,186	$38,723,749		
Adoption Subsidy Payments (46903).....	$135,292,686	~~$135,942,946~~ $144,553,990		
Fund Sources: General.....	$118,060,119	~~$119,412,176~~ $120,134,515		

Special.....	$1,425,030	$2,434,593
Dedicated Special Revenue.....	$585,265	$585,265
Federal Trust.....	$114,839,789	~~$115,744,167~~ $119,872,562

Authority: Title 63.2, Chapters 1, 2, 4 and 8 through 15, Code of Virginia; P.L. 100-294, P.L. 101-126, P.L. 101-226, P.L. 105-89, P.L. 110-351, P.L. 111-320, as amended, Federal Code.

A. Expenditures meeting the criteria of Title IV-E of the Social Security Act shall be fully reimbursed except that expenditures otherwise subject to a standard local matching share under applicable state policy, including local staffing, shall continue to require local match. The commissioner shall ensure that local social service boards obtain reimbursement for all children eligible for Title IV-E coverage.

B. The commissioner, in cooperation with the Department of Planning and Budget, shall establish a reasonable, automatic adjustment for inflation each year to be applied to the room and board maximum rates paid to foster parents. However, this provision shall apply only in fiscal years following a fiscal year in which salary increases are provided for state employees.

C. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be provided for the purchase of services for victims child abuse and neglect prevention activities as stated in § 63.2-1502, Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

D. Out of this appropriation, $180,200 the first year and $180,200 the second year from the general fund and $99,800 the first year and $99,800 the second year from nongeneral funds shall be provided to continue respite care for foster parents.

E. Notwithstanding the provisions of §§ 63.2-1300 through 63.2-1303, Code of Virginia, adoption assistance subsidies and supportive services shall not be available for children adopted through parental placements, except parental placements where the legal guardian is a child placing agency at the time of the adoption. This restriction does not apply to existing adoption assistance agreements.

F.1. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund shall be provided to implement pilot programs that increase the number of foster care children adopted.

2. Beginning July 1, 2017, the department shall provide an annual report, not later than 45 days after the end of the state fiscal year, on the use and effectiveness of this funding including, but not limited to, the additional number of special needs children adopted from foster care as a result of this effort and the types of ongoing supportive services provided, to the Governor, Chairmen of House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget.

G. Out of this appropriation, $18,293,004 the first year and ~~$17,625,710~~ $14,864,476 the second year from the general fund and $7,000,000 the first year and $7,000,000 the second year from nongeneral funds shall be provided for special needs adoptions.

H. Out of this appropriation $54,830,250 the first year and ~~$54,830,250~~ $61,019,627 the second year from the general fund and $54,830,250 the first year and ~~$54,830,250~~ $61,019,627 the second year from nongeneral funds shall be provided for Title IV-E adoption subsidies.

I. The Commissioner, Department of Social Services, shall ensure that local departments that provide independent living services to persons between 18 and 21 years of age make certain information about and counseling regarding the availability of independent living services is provided to any person who chooses to leave foster care or who chooses to terminate independent living services before his twenty-first birthday. Information shall include the option for restoration of independent living services following termination of independent living services, and the processes whereby independent living services may be restored should he choose to seek restoration of such services in accordance with § 63.2-905.1 of the Code of Virginia.

J.1. Notwithstanding the provisions of § 63.2-1302, Code of Virginia, the Department of Social Services shall negotiate all adoption assistance agreements with both existing and prospective adoptive parents on behalf of local departments of social services. This provision shall not alter the legal responsibilities of the local departments of social services set out in Chapter 13 of Title 63.2, Code of Virginia, nor alter the rights of the adoptive parents to appeal.

2. Out of this appropriation, $342,414 the first year and $342,414 the second year from the general fund and $215,900 the first year and $215,900 the second year from nongeneral funds shall be provided for five positions to execute these negotiations.

K.1. The Department of Social Services shall partner with Patrick Henry Family Services to implement a pilot program in the area encompassing Planning District 11 (Amherst, Appomattox, Bedford, Campbell Counties and the City of Lynchburg) for the temporary placements of children for children and families in crisis.

The pilot program will allow a parent or legal custodian of a minor, with the assistance of Patrick Henry Family Services, to delegate to another person by a properly executed power of attorney any powers regarding care, custody, or property of the minor for a temporary placement for a period that is not greater than 90 days. The program will allow for an option of a one-time 90 day extension.

2. The department shall ensure that this pilot program meets the following specific programmatic and safety requirements outlined in 22 VAC 40-131 and 22 VAC 40-191:

(i) The pilot program organization shall meet the background check requirements described in 22 VAC 40-191.

(ii) The pilot program organization shall develop and implement written policies and procedures for governing active and closed cases, admissions, monitoring the administration of medications, prohibiting corporal punishment, ensuring that children are not subjected to abuse or neglect, investigating allegations of misconduct toward children, implementing the child's back-up emergency care plan, assigning designated casework staff, management of all records, discharge policies, and the use of seclusion and restraint (22 VAC 40-131-90).

(iii) The pilot program organization shall provide pre-service and ongoing training for temporary placement providers and staff (22 VAC 40-131-210 and 22 VAC 40-131-150).

3. The Department of Social Services shall evaluate the pilot program and determine if this model of prevention is effective. A report of the evaluation findings and recommendations shall be submitted to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Commission on Youth by December 1, 2017.

L.1. Out of this appropriation, $2,925,954 the first year and $2,925,954 the second year from the general fund and $2,886,611 the first year and $2,886,611 the second year from nongeneral funds shall be available for the expansion of foster care and adoption assistance as authorized in the federal Foster Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351; P.L. 11-148).

2. In order to implement the Fostering Futures program, the Department of Social Services shall set out the requirements for program participation in accordance with 42 U.S.C. 675 (8) (B) (iv) and shall provide the format of an agreement to be signed by the

local department of social services and the youth. The definition of a child for the purpose of the Fostering Futures program shall be any natural person who has reached the age of 18 years but has not reached the age of 21. The Department of Social Services shall develop guidance setting out the requirements for local implementation including a requirement for six-month reviews of each case and reasons for termination of participation by a youth. The guidance shall also include a definition of a supervised independent living arrangement which does not include group homes or residential facilities. Implementation of this program includes the extension of adoption assistance to age 21 for youth who were adopted at age 16 or older and who meet the program participation requirements set out in guidance by the Department of Social Services.

3. The Department of Social Services shall issue guidance for the program's eligibility requirements and shall be available, on a voluntary basis, to an individual upon reaching the age of 18 who:

(i) was in the custody of a local department of social services either:

(a) prior to reaching 18 years of age, remained in foster care upon turning 18 years of age; or

(b) immediately prior to commitment to the Department of Juvenile Justice and is transitioning from such commitment to self-sufficiency.

(ii) and who is:

(a) completing secondary education or an equivalent credential: or

(b) enrolled in an institution that provides post-secondary or vocational education; or

(c) employed for at least 80 hours per month; or

(d) participating in a program or activity designed to promote employment or remove barriers to employment; or

(e) incapable of doing any of the activities described in subdivisions (a) through (d) due to a medical condition, which incapability is supported by regularly updated information in the program participant's case plan.

4. Implementation of extended foster care services shall be available for those eligible youth reaching age 18 on or after July 1, 2016.

M.1. Out of this appropriation, $7,517,668 the first year and $7,517,668 the second year from the general fund and $2,500,000 the first year and $2,500,000 the second year from nongeneral funds shall be available for the reinvestment of adoption general fund savings as authorized in title IV, parts B and E of the federal Social Security Act (P.L. 110-351).

2. Of the amounts in paragraph M.l. above, $3,078,595 the first year and $3,078,595 the second year from the general fund shall be used to develop a case management module for a comprehensive child welfare information system (CCWIS). In the development of the CCWIS, the department shall not create any future obligation that will require the appropriation of general fund in excess of that provided in this Act. Should additional appropriation, in excess of the amounts identified in this paragraph, be needed to complete development of this or any other module for the CCWIS, the department shall notify the Chairmen of the House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget.

3. Beginning September 1, 2018, the department shall also provide semi-annual progress reports that includes current project summary, implementation status, accounting of project expenditures and future milestones. All reports shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget.

N. Out of this appropriation, $1,009,563 the second year from nongeneral funds shall be used to fund ten positions that support the child protective services hotline.

O. Out of this appropriation, $50,000 the second year from the general fund and $50,000 the second year from nongeneral funds shall be used to fund one position that supports Virginia Fosters.

P. Out of this appropriation, $851,000 the second year from the general fund is provided for training, consultation and technical support, and licensing costs associated with establishing evidence-based programming as identified in the federal Family First Prevention Services Act (FFPSA) Evidence-Based Programs Clearinghouse.

Q. The Department of Social Services shall immediately review all cases of children in congregate care without a clinical need to be there and assist local departments in finding appropriate family-based settings. The department shall certify completion of the reviews by June 30, 2020, and by letter notify the General Assembly as such.

R. Within 10 days of the enactment of this Act, the Department of Social Services (DSS) shall generate an estimate of the annual impact of enhanced federal Medical Assistance Percentages (FMAP), associated with federal H.R. 6021, the Families First Coronavirus Response Act (FFCRA), on all Title TV-E foster care and adoptions programs as appropriated in this Act. The agency shall report these estimates by fiscal year, fiscal quarter, service area and fund detail, to the Department of Planning and Budget (DPB) and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within the required timeframe. DPB is authorized to unallot an amount of state funds equal to the general fund savings identified in the DSS report.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
345. Financial Assistance for Supplemental Assistance Services (49100).....			$78,757,450	~~$78,757,450~~ $83,257,450
General Relief (49101).....	$500,000	$500,000		
Resettlement Assistance (49102).....	$9,022,000	$9,022,000		
Emergency and Energy Assistance (49103).....	$69,235,450	~~$69,235,450~~ $73,735,450		
Fund Sources: General.....	$500,000	$500,000		
Federal Trust.....	$78,257,450	~~$78,257,450~~		

$82,757,450

Authority: Title 2.2, Chapter 54; Title 63.2, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended: P.L. 104-193, as amended, Federal Code.

	Item Details($)		Appropriations(	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
346. Financial Assistance to Community Human Services Organizations (49200).....			$48,700,789	$53,657,967
Community Action Agencies (49201).....	$18,638,048	$19,763,048		
Volunteer Services (49202).....	$3,866,340	$3,866,340		
Other Payments to Human Services Organizations (49203).....	$26,196,401	$30,028,579		
Fund Sources: General.....	$674,500	$674,500		
Federal Trust.....	$48,026,289	$52,983,467		

Authority: Title 2.2, Chapter 54; Title 63.2, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A.1. All increased state or federal funds distributed to Community Action Agencies shall be distributed as follows: The funds shall be distributed to all local Community Action Agencies according to the Department of Social Services funding formula (75 percent based on low-income population, 20 percent based on number of jurisdictions served, and five percent based on square mileage served), adjusted to ensure that no agency receives less than 1.5 percent of any increase.

2. Out of this appropriation, $185,725 the first year and $185,725 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with the Virginia Community Action Partnership to provide outreach, education and tax preparation services via the Virginia Earned Income Tax Coalition and other community non-profit organizations to citizens who may be eligible for the federal Earned Income Tax Credit. The contract shall require the Virginia Community Action Partnership to report on its efforts to expand the number of Virginians who are able to claim the federal EITC, including the number of individuals identified who could benefit from the credit, the number of individuals counseled on the availability of federal EITC, and the number of individuals assisted with tax preparation to claim the federal EITC. The annual report from the Virginia Community Action Partnership shall also detail actual expenditures for the program including the sub-contractors that were utilized. This report shall be provided to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by December 1 each year.

3. Out of this appropriation, $6,250,000 the first year and $6,250,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with local Community Action Agencies to provide an array of services designed to meet the needs of low-income individuals and families, including the elderly and migrant workers. Services may include, but are not limited to, child care, community and economic development, education, employment, health and nutrition, housing, and transportation.

4. Out of this appropriation, $1,125,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant shall be provided for competitive grants to Community Action Agencies for a Two-Generation/Whole Family Pilot Project and for evaluation of the pilot project. Applicants selected for the pilot project shall provide a match of no less than 20 percent of the grant, including in-kind services. The Department of Social Services shall report to the General Assembly annually on the progress of the pilot project and shall complete a final report on the project no later than six years after the commencement of the project.

B. The department shall continue to fund from this Item all organizations recognized by the Commonwealth as community action agencies as defined in §2.2-5400 et seq.

C. Out of this appropriation, $9,035,501 the first year and ~~$9,035,501~~ $8,617,679 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with programs that follow the evidence-based Healthy Families America home visiting model that promotes positive parenting, improves child health and development, and reduces child abuse and neglect. The Department of Social Services shall use a portion of the funds from this item to contract with the statewide office of Prevent Child Abuse Virginia for providing the coordination, technical support, quality assurance, training and evaluation of the Virginia Healthy Families programs.

E. Out of this appropriation, $100,000 the first year and $100,000 the second year from nongeneral funds shall be provided for the Child Abuse Prevention Play (the play) administered by Virginia Repertory Theatre. The contract shall include production and live performances of the play that teach child safety awareness to prevent child abuse.

F. Out of this appropriation, $70,000 the first year and $70,000 the second year from the general fund shall be provided to contract with the Virginia Alzheimer's Association Chapters to provide dementia-specific training to long-term care workers in licensed nursing facilities, assisted living facilities and adult day care centers who deal with Alzheimer's disease and related disorders.

G. Out of this appropriation, $500,000 the first year and $1,000,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with Northern Virginia Family Services (NVFS) to provide supportive services that address the basic needs of families in crisis, including the provision of food, financial assistance to prevent homelessness, access to health services, and adult workforce development programs. The contract shall require NVFS to provide an intake process that identifies the needs and appropriate services for those in crisis. Outcomes will be measured utilizing surveys provided to those who receive services and NVFS will report quarterly on survey results.

H. Out of this appropriation, $405,500 the first year and $405,500 the second year from the general fund and $1,136,500 the first year and $1,136,500 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with child advocacy centers (CAC) to provide a comprehensive, multidisciplinary team response to allegations of child abuse in a dedicated, child-friendly setting. The contracts shall require CACs to provide forensic interviews, victim support and advocacy services, medical evaluations, and mental health services to victims of child abuse and neglect with the expected outcome of reducing child abuse and neglect. The department shall allocate four percent to Children's Advocacy Centers of Virginia (CACVA), the recognized chapter of the National Children's Alliance for Virginia's Child Advocacy Centers, for the purpose of assisting and supporting the development, continuation, and sustainability of community-coordinated, child-focused services delivered by children's advocacy centers (CACs). Of the remaining 96 percent, (i) 65 percent shall be distributed to a baseline allocation determined by the accreditation status of the CAC: (a) developing and associate centers 100 percent of base; (b) accredited centers 150 percent of base; and (c) accredited centers with satellite facilities 175 percent of base; and (ii) 35 percent shall be allocated according to established criteria to include: (a) 25 percent

determined by the rate of child abuse per 1,000; (b) 25 percent determined by child population; and (c) 50 percent determined by the number of counties and independent cities serviced.

I.1. Out of this appropriation, $1,250,000 the first year and $1,250,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with the Virginia Early Childhood Foundation (VECF) to support the health and school readiness of Virginia's young children prior to school entry. These funds shall be matched with local public and private resources with a goal of leveraging a dollar for each state dollar provided.

2. Of the amounts in paragraph 1.1. above, $1,250,000 the first year and $1,250,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be used to provide information and assistance to parents and families and to facilitate partnerships with both public and private providers of early childhood services. VECF will track and report statewide and local progress on a biennial basis. The Foundation shall account for the expenditure of these funds by providing the Governor, Secretary of Health and Human Resources, and the Chairmen of the House Appropriations and Senate Finance Committees with a certified audit and full report on Foundation initiatives and results not later than October 1 of each year for the preceding fiscal year ending June 30.

3. On or before October 1 of each year, the foundation shall submit to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees a report on the actual amount, by fiscal year, of private and local government funds received by the foundation.

J. Out of this appropriation $1,000,000 the first year and $1,500,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant shall be provided to the Virginia Alliance of Boys and Girls Clubs to expand community-based prevention and mentoring programs.

K.1. Out of this appropriation, $7,500,000 the first year and $7,500,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant the shall be provided for competitive grants for community employment and training programs designed to move low-income individuals out of poverty through programs designed to assist TANF recipients in obtaining and retaining competitive employment with the prospect of a career path and wage growth and other supportive services designed to break the cycle of poverty and permanently move individuals out of poverty. Of this amount, $2.0 million shall be provided for competitive grants provided through Employment Services Organizations (ESOs).

2.a. Out of this appropriation, $3,000,000 the first year and $3,000,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant the shall be provided for a second round of grants for community employment and training programs designed to move low-income individuals out of poverty by obtaining and retaining competitive employment with the prospect of a career path and wage growth. The local match requirement shall be reduced to 10 percent, including in-kind services, for grant recipients located in Virginia counties or cities with high fiscal stress as defined by the Commission on Local Government fiscal stress index.

b. Out of the amounts in 2.a., at least $300,000 each year from the TANF block grant shall be provided through a contract with the City of Richmond, Office of Community Wealth for services provided through the Center for Workforce Innovation.

3. The Department of Social Services shall award grants to qualifying programs through a memorandum of understanding which articulates performance measures and outcomes including the number of individuals participating in services, number of individuals hired into employment, the number of unique employers hiring individuals through organizational programs and activities, the average starting wage of individuals hired, reductions in the rate of poverty, as well as process measures such as how the program targets improvement in poverty over a 3-5 year period and fits in with long term community goals for reducing poverty. Grants shall require local matching funds of at least a 25 percent, including in-kind services.

4. Community employment and training programs and ESOs shall report on annual program performance and outcome measures contained in the memorandum of understanding with the Department of Social Services. The department shall report on the implementation of the programs and any performance and outcome data collected through the memorandum of understanding by June 1 of each year.

L. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund shall be provided to contract with Youth for Tomorrow (YFT) to provide comprehensive residential, education and counseling services to at-risk youth of the Commonwealth of Virginia who have been sexually exploited, including victims of sex trafficking. The contract shall require YFT to provide individual assessments/individual service planning; individual and group counseling; room and board; coordination of medical and mental health services and referrals; independent living services for youth transitioning out of foster care; active supervision; education; and family reunification services. Youth for Tomorrow shall submit monthly progress reports on activities conducted and progress achieved on outputs, outcomes and other functions/activities during the reporting period. On October 1 of each year, YFT shall provide an annual report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees that details program services, outputs and outcomes.

M. Out of this appropriation, $75,000 each year from the federal Temporary Assistance to Needy Families block grant shall be provided to contract with Visions of Truth Community Development Corporation in Portsmouth, Virginia. The funding will support the Students Taking Responsibility in Valuing Education (STRIVE) suspension/dropout prevention program.

N. Out of this appropriation, $250,000 the first year and $600,000 the second year from the the federal Temporary Assistance to Needy Families block grant shall be provided to contract with Early Impact Virginia to continue its work in support of Virginia's voluntary home visiting programs. These funds may be used to hire three full-time staff, including a director and an evaluator, and to continue Early Impact Virginia's training partnerships. Early Impact Virginia shall have the authority and responsibility to determine, systematically track, and report annually on the key activities and outcomes of Virginia's home visiting programs; conduct systematic and statewide needs assessments for Virginia's home visiting programs at least once every three years; and to support continuous quality improvement, training, and coordination across Virginia's home visiting programs on an ongoing basis. Early Impact Virginia shall report on its findings to the Chairmen of the House Appropriations and Senate Finance Committees by July 1, 2019 and annually thereafter.

O. Out of this appropriation, $500,000 the first year and $500,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant shall be provided to contract with the Laurel Center in Winchester to provide program services to survivors of domestic abuse and sexual violence in Winchester, Frederick County, Clarke County, and Warren County at the Center's residential facility for survivors.

P. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be provided for the Department of Social Services to contract with Adoption Share, Inc. for the purpose of a pilot program to operate the Family-Match application, which is an online matching tool for state case workers to use in matching foster care children with the best families.

Q. Out of this appropriation, $200,000 the first year and $100,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant shall be provided to FACETS to provide homeless assistance services in Northern Virginia.

R. Out of this appropriation, $3,000,000 the second year from the TANF block grant shall be provided for one-time funding to contract with the Virginia Federation of Food Banks to provide child nutrition programs.

	Details($)			
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
347. Regulation of Public Facilities and Services (56100)..			$28,719,903	$28,819,686
Regulation of Adult and Child Welfare Facilities (56101).....	$25,783,256	$25,883,039		
Background Investigation Services (56106).....	$2,936,647	$2,936,647		
Fund Sources: General.....	$3,880,473	$3,880,473		
Special.....	$3,038,114	$3,038,114		
Federal Trust.....	$21,801,316	$21,901,099		

Authority: Title 63.2, Chapters 17 and 18, Code of Virginia.

A. The state nongeneral fund amounts collected and paid into the state treasury pursuant to the provisions of § 63.2-1700, Code of Virginia, shall be used for the development and delivery of training for operators and staff of assisted living facilities, adult day care centers, and child welfare agencies.

B. As a condition of this appropriation, the Department of Social Services shall (i) promptly fill all position vacancies that occur in licensing offices so that positions shall not remain vacant for longer than 120 days and (ii) hire sufficient child care licensing specialists to ensure that all child care facilities receive, at a minimum, the two visits per year mandated by § 63.2-1706, Code of Virginia, and that facilities with compliance problems receive additional inspection visits as necessary to ensure compliance with state laws and regulations.

C. As a condition of this appropriation, the Department of Social Services shall utilize a risk assessment instrument for child and adult care enforcement. This instrument shall include criteria for determining when the following sanctions may be used: (i) the imposition of intermediate sanctions, (ii) the denial of licensure renewal or revocation of license of a licensed facility, (iii) injunctive relief against a child care provider, and (iv) additional inspections and intensive oversight of a facility by the Department of Social Services.

D. Out of this appropriation, the Department of Social Services shall implement training for new assisted living facility owners and managers to focus on health and safety issues, and resident rights as they pertain to adult care residences.

E. Out of this appropriation, $8,853,833 and 59 positions the first year and $8,853,833 and 59 positions second year from the federal Child Care and Development Fund (CCDF) shall be provided to address the workload associated with licensing, inspecting and monitoring family day homes, pursuant to § 63.2-1704, Code of Virginia. On July 1, 2018, the Director of the Department of Planning and Budget shall unallot $6,853,833 of this appropriation. At such time as the department demonstrates a sufficient increase in family day home licensure, inspection and monitoring activity to necessitate additional staff, the Director of the Department of Planning and Budget may allot additional resources. The Department of Social Services shall provide an annual report, not later than October 1 of each year for the preceding state fiscal year ending June 30, on the implementation of this initiative to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget.

F. The Department of Social Services shall work with localities that currently inspect child day care centers and family day homes to minimize duplication and overlap of inspections pursuant to § 63.2-1701.1, Code of Virginia.

G No child day center, family day home, or family day system licensed in accordance with Chapter 17, Title 63.2; child day center exempt from licensure pursuant to § 63.2-1716; registered family day home; family day home approved by a family day system; or any child day center or family day home that enters into a contract with the Department of Social Services or a local department of social services to provide child care services funded by the Child Care and Development Block Grant shall employ; continue to employ; or permit to serve as a volunteer who will be alone with, in control of, or supervising children any person who has an offense as defined in § 63.2-1719. All employees and volunteers shall undergo the following background check by July 1, 2017 and every 5 years thereafter, as required by the federal Child Care and Development Block Grant Act of 2014 (CCDBG).

H. 1. A child day program that operates for children of essential personnel, who are in need of child care as a result of the COVID-19 pandemic, shall be exempt from licensure. Programs operating under this emergency licensing exemption must file an exemption with the Department and abide by the requirements set forth in §63.2-1715(C) and (D). The Commissioner shall have the authority to inspect these programs only upon receipt of a complaint, except as otherwise provided by law.

2. An instructional program operating under §63.2-1715 (A) solely for children of essential personnel must file with the Commissioner a statement indicating the intent to operate the program and identifying that the program will operate solely for the children of essential personnel. All emergency child care programs shall follow Centers for Disease Control and Prevention and Virginia Department of Health guidance on safety measures to prevent the spread of COVID-19.

I. When a child day program operates in response to the COVID-19 pandemic, a background check for an individual associated with a child day program operating solely for children of essential personnel shall not be required for any individual who has completed a background check under the provisions of §63.2-1720.1 or §63.2-1721.1 within the previous two years and who continues to be eligible. The Department shall establish a process regarding background check portability, and child day program providers seeking portability must follow this process.

J. During the state of emergency pursuant to the Governor and State Health Commissioner's Order of Public Health Emergency One, as amended, any public or accredited private school may operate emergency child care for preschool or school aged children of essential personnel during a declared state or local emergency due to COVID-19. Such programs shall be exempt from licensure (§63.2-1715) and shall be subject to safety and supervisory standards, including background checks, established by the local school division or accredited private school offering the program. All emergency child care programs shall follow Centers for Disease Control and Prevention and Virginia Department of Health guidance on safety measures to prevent the spread of COVID-19.

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
348. Administrative and Support Services (49900).....			$113,072,876	~~$115,794,025~~ $122,317,070
General Management and Direction (49901).....	$4,515,894	~~$3,529,872~~ $5,022,773		
Information Technology Services (49902).....	$84,987,828	~~$88,694,999~~ $91,337,685		

Accounting and Budgeting Services (49903).....	$9,732,964	$9,732,964
Human Resources Services (49914).....	$5,318,017	~~$5,318,017~~ $5,491,067
Planning and Evaluation Services (49916).....	$2,972,427	~~$2,972,427~~ $3,969,605
Procurement and Distribution Services (49918)	$3,104,631	~~$3,104,631~~ $3,775,563
Public Information Services (49919).....	$2,211,522	~~$2,211,522~~ $2,611,522
Financial and Operational Audits (49929).....	$229,593	~~$229,593~~ $375,891
Fund Sources:		
General.....	$43,881,794	~~$43,881,794~~ $45,727,138
Special.....	$175,000	$175,000
Dedicated Special Revenue.....	$1,265,778	$1,050,000
Federal Trust.....	$67,750,304	~~$70,687,231~~ $75,364,932

Authority: Title 63.2, Chapter 1; § 2.2-4000 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 IV-A, IV-B, IV-D, IV-E, XIX, XX, XXI of the federal Social Security Act, as amended.

A. The Department of Social Services shall require localities to report all expenditures on designated social services, regardless of reimbursement from state and federal sources. The Department of Social Services is authorized to include eligible costs in its claim for Temporary Assistance for Needy Families Maintenance of Effort requirements.

B. It is the intent of the General Assembly that the Commissioner, Department of Social Services shall work with localities that seek to voluntarily merge and consolidate their respective local departments of social services. No funds appropriated under this act shall be used to require a locality to merge or consolidate local departments of social services.

C.1. Out of this appropriation, $473,844 the first year and $473,844 the second year from the general fund and $781,791 the first year and $781,791 the second year from nongeneral funds shall be provided to support the statewide 2-1-1 Information and Referral System which provides resource and referral information on many of the specialized health and human resource services available in the Commonwealth, including child day care availability and providers in localities throughout the state, and publish consumer-oriented materials for those interested in learning the location of child day care providers.

2. The Department of Social Services shall request that all state and local child-serving agencies within the Commonwealth be included in the Virginia Statewide Information and Referral System as well as any agency or entity that receives state general fund dollars and provides services to families and youth. The Secretary of Health and Human Resources, the Secretary of Education and Workforce, and the Secretary of Public Safety and Homeland Security shall assist in this effort by requesting all affected agencies within their secretariats to submit information to the statewide Information and Referral System and ensure that such information is accurate and updated annually. Agencies shall also notify the Virginia Information and Referral System of any changes in services that may occur throughout the year.

3. The Department of Social Services shall communicate with child-serving agencies within the Commonwealth about the availability of the statewide Information and Referral System. This information shall also be communicated via the Department of Social Services' broadcast system on their agency-wide Intranet so that all local and regional offices can be better informed about the Statewide Information and Referral System. Information on the Statewide Information and Referral System shall also be included within the department's electronic mailings to all local and regional offices at least biannually.

D.1. Within 30 days of awarding or amending any contract related to the Virginia Case Management System (VaCMS), the Department of Social Services (DSS) shall provide the Chairmen of the House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget with a copy of the contract, including any fiscal implications.

2. Prior to the award of any contract that will potentially obligate the Commonwealth to future unappropriated spending, the department shall receive prior written concurrence from Director, Department of Planning and Budget. Any approved increases in funding requests shall be reported by DSS to the Chairmen of House Appropriations and Senate Finance Committees within 30 days.

E.1. The Department of Social Services shall provide to the Chairmen of the House Appropriations and Senate Finance Committees a report on the implementation of the Asset Verification Service that is part of the Eligibility Modernization Project on or before September 1, 2016. It is the intent of the General Assembly to encourage financial institutions with branches in Virginia to work collaboratively with the department and its vendor in order to maximize participation in the Asset Verification Service program.

2. The Department shall also develop a plan and submit it to the Chairmen of the House Appropriations and Senate Finance Committees to incorporate searchable national real estate records as part of the Asset Verification Service program as soon as the data are available.

F. Notwithstanding any other provision of law, the Department of Social Services (DSS) shall have temporary authority to make any changes to relevant State Plans, request waivers from applicable federal agencies, change eligibility criteria for benefits and services, and payment levels for applicable programs in response to the COVID-19 pandemic and new authorities and funding made available by the federal government to effect those policies necessary to ensure that benefits are available to eligible populations in response to COVID-19. Prior to the implementation of any change, DSS must receive written approval from the Governor. Within 15 days of implementing changes in response to COVID-19, DSS shall send a list of such actions to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The provisions of this paragraph, as well as any actions implemented under its authority, shall be in accordance with the Governor's emergency declaration for COVID-19 and be in effect for the period specified therein.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020

349. Not set out.

350. Not set out.

Total for Department of Social Services.....		**$2,107,914,409 ~~$2,144,249,980~~ $2,219,615,691**
General Fund Positions.....	624.00	638.00
Nongeneral Fund Positions.....	1,198.50	1,213.50
Position Level.....	1,822.50	1,851.50
Fund Sources: General.....	$429,427,587	~~$433,983,740~~ $431,177,854
Special.....	$696,126,343	$697,411,024
Dedicated Special Revenue.....	$8,360,029	$10,294,920
Federal Trust.....	$974,000,450	~~$1,002,560,296~~ $1,080,731,893

§ 1-23. VIRGINIA BOARD FOR PEOPLE WITH DISABILITIES (606)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
351. Not set out.				
352. Financial Assistance for Individual and Family Services (49000).....			$401,475	~~$401,475~~ $896,475
Financial Assistance to Localities for Individual and Family Services (49001).....	$401,475	~~$401,475~~ $896,475		
Fund Sources: Federal Trust.....	$401,475	~~$401,475~~ $896,475		

Authority: Title 51.5, Chapter 7, Code of Virginia.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
Total for Virginia Board for People with Disabilities.....			**$1,973,892**	**~~$1,980,327~~ $2,475,327**
General Fund Positions.....	0.60	1.60		
Nongeneral Fund Positions.....	8.40	8.40		
Position Level.....	9.00	10.00		
Fund Sources: General.....	$248,542	$254,977		
Federal Trust.....	$1,725,350	~~$1,725,350~~ $2,220,350		

§ 1-24. DEPARTMENT FOR THE BLIND AND VISION IMPAIRED (702)

	Item Details($)		Appropriations(	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
353. Not set out.				
354. Not set out.				
355. Rehabilitation Assistance Services (45400).....			$13,397,938	~~$14,082,547~~ $14 105 656
Low Vision Services (45401).....	$441,285	~~$441,285~~ $464,394		
Vocational Rehabilitation Services (45404).....	$8,339,166	$8,339,166		
Community Based Independent Living Services (45407).....	$4,095,980	$4,490,589		
Vending Stands, Cafeterias, and Snack Bars (45410)..	$521,507	$811,507		
Fund Sources: General.....	$1,981,012	$2,375,621		
Special.....	$504,731	$794,731		
Trust and Agency.....	$150,000	~~$150,000~~ $173,109		
Federal Trust.....	$10,762,195	$10,762,195		

Authority: § 51.5-1 and Title 51.5, Chapter 1, Code of Virginia; P.L. 93-516 and P.L. 93-112, Federal Code.

A. It is the intent of the General Assembly that visually handicapped persons who have completed vocational training as food service managers through programs operated by the Department be considered for food service management position openings within

the Commonwealth as they arise.

B. 1.The annual federal vocational rehabilitation grant award that will be received by the Department for the Blind and Vision Impaired (DBVI) is estimated at $11,442,719 for federal fiscal year 2018; $11,442,719 for federal fiscal year 2019; and $11,442,719 for federal fiscal year 2020. In addition to the base annual award amount, DBVI may request up to $1,500,000 of additional federal reallotment dollars in each of these years. Assuming these amounts, the annual 21.3 percent state matching requirement would equate to $3,632,832 for federal fiscal year 2018; $3,632,832 for federal fiscal year 2019; and $3,632,832 for federal fiscal year 2020.

2. Based on the projection of federal award funding in paragraph A.2., DBVI shall not request federal vocational rehabilitation grant dollars in excess of $12,942,719 for federal fiscal year 2018; $12,942,719 for federal fiscal year 2019; and $12,942,719 for federal fiscal year 2020, without prior written concurrence from the Director, Department of Planning and Budget. Any approved increases in grant award requests shall be reported by DARS to the Chairmen of the House Appropriations and Senate Finance Committees within 30 days.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
356. Not set out.				
357. Not set out.				
358. Administrative and Support Services (49900).....			$3,074,912	~~$3,474,912~~ $3,904,912
General Management and Direction (49901).....	$2,277,309	~~$2,677,309~~ $2,846,477		
Physical Plant Services (49915).....	$797,603	~~$797,603~~ $1,058,435		
Fund Sources: General.....	$762,724	$762,724		
Special.....	$749,678	~~$749,678~~ $1,169,678		
Enterprise.....	$1,100,000	$1,500,000		
Trust and Agency.....	$40,000	~~$40,000~~ $50,000		
Federal Trust.....	$422,510	$422,510		

Authority: Title 63.2, Chapter 4, Code of Virginia; P.L. 89-313, P.L. 93-112, and P.L. 97-35, Federal Code.

Up to $1,244,790 the first year and up to $1,244,790 the second year is available for the Department for the Blind and Vision Impaired (DBVI) to contract with the Department for Aging and Rehabilitative Services (DARS) for the provision of shared administrative services. The scope of the services and specific costs shall be outlined in a memorandum of understanding (MOU) between DBVI and DARS subject to the approval of the respective agency heads. Any revision to the MOU shall be reported by DARS to the Director, Department of Planning and Budget within 30 days.

	Item Details($)		Appropr	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second FY202
Total for Department for the Blind and Vision Impaired.....			**$72,367,576**	~~$73,05~~ $73,50
General Fund Positions.....	62.60	62.60		
Nongeneral Fund Positions.....	92.40	92.40		
Position Level.....	155.00	155.00		
Fund Sources: General.....	$6,138,137	$6,532,746		
Special.....	$1,254,409	~~$1,544,409~~ $1,964,409		
Enterprise.....	$51,868,817	$51,868,817		
Trust and Agency.....	$245,000	~~$245,000~~ $278,109		
Federal Trust.....	$12,861,213	$12,861,213		
359. Not set out.				
360. Not set out.				
Grand Total for Department for the Blind and Vision Impaired.....			**$75,378,140**	~~$76,11~~ $76,56
General Fund Positions.....	62.60	62.60		
Nongeneral Fund Positions.....	118.40	118.40		
Position Level.....	181.00	181.00		
Fund Sources: General.....	$6,480,081	$6,874,690		
Special.....	$1,298,409	~~$1,588,409~~ $2,008,409		
Enterprise.....	$51,868,817	$51,918,817		
Trust and Agency.....	$265,000	~~$265,000~~ $298,109		
Federal Trust.....	$15,465,833	$15,465,833		
TOTAL FOR OFFICE OF HEALTH AND HUMAN			**$17,314,135,280**	~~$20,5~~

RESOURCES.....		$20,03
General Fund Positions.....	8,586.90	~~9,132.15~~ 9,041.15
Nongeneral Fund Positions.....	6,417.12	6,447.12
Position Level.....	15,004.02	~~15,579.27~~ 15,488.27
Fund Sources: General.....	$6,810,384,164	~~$7,073,904,882~~ $6,804,929,985
Special.....	$1,096,719,321	~~$1,070,839,039~~ $1,085,712,210
Enterprise.....	$51,868,817	$51,918,817
Trust and Agency.....	$1,390,987	~~$1,390,987~~ $1,424,096
Dedicated Special Revenue.....	$861,325,686	~~$1,256,555,500~~ $1,308,495,334
Federal Trust.....	$8,492,446,305	~~$11,075,092,863~~ $10,785,128,761

OFFICE OF NATURAL RESOURCES

361. Not set out.

§ 1-25. DEPARTMENT OF CONSERVATION AND RECREATION (199)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
362. Not set out.				
363. Leisure and Recreation Services (50400).....			$58,395,919	~~$62,268,291~~ $62,418,291
Preservation of Open Space Lands (50401).....	$6,723,417	$11,044,317		
Design and Construction of Outdoor Recreational Facilities (50403).....	$886,797	~~$886,797~~ $1,036,797		
State Park Management and Operations (50404).....	$46,305,543	$45,919,515		
Natural Outdoor Recreational and Open Space Resource Research, Planning, and Technical Assistance (50406).....	$4,480,162	$4,417,662		
Fund Sources: General.....	$24,379,426	~~$28,366,542~~ $28,516,542		
Special.....	$26,444,308	$26,834,895		
Dedicated Special Revenue.....	$2,322,455	$1,817,124		
Federal Trust.....	$5,249,730	$5,249,730		

Authority: Title 10.1, Chapters 1, 2, 3, 4, 4.1, and 17; Title 18.2, Chapters 1 and 5; Title 19.2, Chapters 1, 5, and 7, Code of Virginia.

1. Included in the amounts for Preservation of Open Space Lands is $4,500,000 the second year from the general fund to be deposited into the Virginia Land Conservation Fund, § 10.1 1020, Code of Virginia. No less than 50 percent of the appropriations remaining after the transfer to the Virginia Outdoors Foundation's Open-Space Lands Preservation Trust fund has been satisfied are to be used for grants for fee simple acquisitions with public access or acquisitions of easements with public access. This appropriation shall be deemed sufficient to meet the provisions of § 2.2-1509.4, Code of Virginia.

2. Included in the amounts for Preservation of Open Space Lands is $1,500,000 the first year and $1,500,000 the second year from nongeneral funds to be deposited into the Virginia Land Conservation Fund to be distributed by the Virginia Land Conservation Foundation pursuant to the provisions of § 58.1-513, Code of Virginia.

B. Included in the amounts for Preservation of Open-Space Lands is $1,752,750 the first year and $1,752,750 the second year from the general fund for the operating expenses of the Virginia Outdoors Foundation (Title 10.1, Chapter 18, Code of Virginia). Pursuant to § 58.1-817, the $1 recordation fee shall be imposed on each instrument or document recorded in the proper book for filing of land records in those jurisdictions in which open-space easements are held by the Virginia Outdoors Foundation.

C.1. Out of the amounts appropriated for Natural Outdoor Recreational and Open Space Resource Research, Planning, and Technical Assistance, up to $275,000 the first year and $275,000 the second year from the general fund shall be paid for the operation and maintenance of Breaks Interstate Park. In addition to these amounts provided for operations and maintenance, an additional $112,500 the first year from the general fund is appropriated to undertake emergency repairs at the Breaks Interstate Park dam.

2. The Breaks Interstate Park Commission shall submit an annual audit of a fiscal and compliance nature of its accounts and transactions to the Auditor of Public Accounts, the Director, Department of Conservation and Recreation, and the Director, Department of Planning and Budget.

3. The Breaks Interstate Park Commission shall, following the modernization of the Breaks Interstate Park electrical system, enter into negotiations to transfer control of the electrical system serving the park to a local regional electric utility.

D. Notwithstanding the provisions of § 10.1-202, Code of Virginia, amounts deposited to the State Park Conservation Resources Fund may be used for a program of in-state travel advertising. Such travel advertising shall feature Virginia State Parks and the localities or regions in which the parks are located. To the extent possible the department shall enter into cooperative advertising agreements with the Virginia Tourism Authority and local entities to maximize the effectiveness of expenditures for advertising. The department is further authorized to enter into a cooperative advertising agreement with the Virginia Association of Broadcasters.

E. Upon completion of the construction of the Daniel Boone Wilderness Trail Interpretative Center, the Division of State Parks may accept transfer of the facility, 153 acres of land, and $450,000 for maintenance of the completed facility for operation as a satellite facility to Natural Tunnel State Park. It is the intent of the General Assembly that at such time as the facility, property, and cash are transferred to the Division of State Parks that positions and ongoing funding for the operation of the satellite facility shall be provided.

F. The department is hereby authorized to enter into an agreement with the non-profit organization that currently owns Natural Bridge to open and operate the facility as a Virginia State Park.

G.1. Notwithstanding any other provision of the Code of Virginia, as a condition of the expenditure of all amounts included in this Item, the department shall not initiate or accept by gift, transfer or purchase with nongeneral funds any new lands for use as a State Park or Natural Area Preserve without a specific appropriation for such purpose by the General Assembly. However, the department is authorized to acquire land as expressly set out in Items C-27 and C-27.10 of this act, as well as in-holdings or lands contiguous to an existing State Park or Natural Area Preserve as expressly set out in Items C-25 and C-26 of this act and as provided for in Section 4-2.01 a.l. of this act provided further that acquisitions authorized in Items C-25 and C-26 will not cause the department to incur additional operating expenses. It is not the intent of these provisions to prohibit any acquisitions resulting from mitigation settlements or to prohibit any additional operating expenses resulting from such acquisitions.

2. The Board of Conservation and Recreation is directed to develop a prioritization process and report which evaluates the relative priority of improvements for all properties that have not yet been fully developed as State Parks or Natural Area Preserves to ensure that the development of land-banked properties and properties not fully developed State Parks is undertaken with consideration of: i.) priority on development in areas with limited access to state and regional outdoor recreation facilities; ii.) the relative operational costs and staffing needs for any new areas compared to operating and staffing needs at existing state parks and natural areas; iii.) focus on in-holdings and parcels contiguous to existing state parks and natural area preserves; and iv.) any other such criteria as may deemed appropriate. The Board shall complete its evaluation and submit its prioritized listing to the Chairmen of the House Appropriations and Senate Finance Committees no later than November 1,2018.

H. Included in the amounts for State Park Management and Operations is $965,310 the first year and $590,944 the second year and six positions from the general fund for the initial start-up and ongoing operational costs for Phase I of Widewater State Park in Stafford County. It is the intent of the General Assembly that, as soon as practicable upon completion of Phase 1A, that the Department shall provide public access and proceed to regular revenue generating operations at the Park.

I. Included in the amount for this item is $167,548 and one position the first year and $198,752 and two positions the second year from the general fund to support the limited operation of Seven Bends State Park.

J. Included in the amounts for this item is $50,000 from the general fund in the first year and ~~$50,000~~ $100,000 from the general fund the second year for the Department of Conservation and Recreation to develop a plan to expand bike facilities at First Landing State Park. Funding from this Item in the second year shall be used by the Department of Conservation and Recreation to contract with the City of Virginia Beach to support the development of appropriate ADA-compliant bike facilities that are located outside of the protected natural areas of First Landing State Park.

K. Included in the amount for this item is $50,000 the second year from the general fund for the Mendota Trail Project for the engineering and construction of a prototype for a covered container bridge.

L. Included in the amounts for this item is $350,000 the first year and $70,000 the second year from the nongeneral fund amounts appropriated in Item 453 A. for recreational access which shall be used to fabricate and install Supplemental Guide Signs for Virginia State Parks.

M. Included in the amount for this item $100,000 the second year from the general fund is provided as a one-time payment to the City of Richmond to increase accessibility of public parks and connectivity of the AD A-accessible elements in the James River Park System.

	Item Details($)		Appropriation	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
364. Not set out.				
Total for Department of Conservation and Recreation.....			$134,555,600	~~$189,858,606~~ $190,008,606
General Fund Positions.....	416.50	420.50		
Nongeneral Fund Positions.....	42.50	44.50		
Position Level.....	459.00	465.00		
Fund Sources: General.....	$79,394,004	~~$134,811,754~~ $134,961,754		
Special.....	$27,655,169	$28,045,756		
Dedicated Special Revenue.....	$14,573,657	$14,068,326		
Federal Trust.....	$12,932,770	$12,932,770		
365. Not set out.				
366. Not set out.				
367. Not set out.				
368. Not set out.				
369. Not set out.				

§ 1-26. DEPARTMENT OF GAME AND INLAND FISHERIES (403)

	Item Details($)		Appropriations(	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
370. Wildlife and Freshwater Fisheries Management (51100).....			$46,374,951	~~$47,304,951~~ $46,791,503

Wildlife Information and Education (51102).....	$4,015,764	~~$4,015,764~~ $4,620,278
Enforcement of Recreational Hunting and Fishing Laws and Regulations (51103).....	$15,322,891	~~$15,322,891~~ $16,464,226
Wildlife Management and Habitat Improvement (51106).....	$27,036,296	~~$27,966,296~~ $25,706,999
Fund Sources: Dedicated Special Revenue.....	$34,202,269	~~$35,132,269~~ $33,668,821
Federal Trust.....	$12,172,682	~~$12,172,682~~ $13,122,682

Authority: Title 29.1, Chapters 1 through 6, Code of Virginia.

Out of the amounts appropriated for this Item, $20,000 the first year and $20,000 the second year from nongeneral funds is provided for the Smith Mountain Lake Water Quality Monitoring Program.

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
371. Boating Safety and Regulation (62500).....			$7,587,279	~~$7,587,279~~ $6,358,019
Boat Registration and Titling (62501).....	$2,844,547	~~$2,844,547~~ $1,876,017		
Boating Safety Information and Education (62502).	$362,359	~~$362,359~~ $685,908		
Enforcement of Boating Safety Laws and Regulations (62503)..... (62503)	$4,380,373	~~$4,380,373~~ $3,796,094		
Fund Sources: Dedicated Special Revenue.....	$6,143,234	~~$6,143,234~~ $4,688,974		
Federal Trust.....	$1,444,045	~~$1,444,045~~ $1,669,045		

Authority: Title 29.1, Chapters 7 and 8, Code of Virginia.

372. Administrative and Support Services (59900).....			$9,869,535	~~$9,869,535~~ $11,612,243
General Management and Direction (59901).....	$8,093,933	~~$8,093,933~~ $7,253,679		
Information Technology Services (59902).....	$1,775,602	~~$1,775,602~~ $4,358,564		
Fund Sources: Dedicated Special Revenue.....	$9,648,686	~~$9,648,686~~ $11,191,394		
Federal Trust.....	$220,849	~~$220,849~~ $420,849		

Authority: Title 29.1, Chapter 1, Code of Virginia.

A. The department shall recover the cost of reproduction, plus a reasonable fee per record, from persons or organizations requesting copies of computerized lists of licenses issued by the department.

B. The department shall not further consolidate its regional offices, field offices, or close any of these offices in presently-served localities or enter into any lease for any new regional office without notification of the Chairman of the House Committee on Agriculture, Chesapeake, and Natural Resources and the Chairman of the Senate Committee on Agriculture, Conservation, and Natural Resources. The department shall not undertake any future reorganization of any division, reporting structures, regional or field offices, or any function it may perform without notifying the Chairmen of the House Committee on Agriculture, Chesapeake, and Natural Resources, the House Committee on Appropriations, the Senate Committee on Agriculture, Conservation, and Natural Resources, and the Senate Committee on Finance.

C. Funds previously appropriated to the Lake Anna Advisory Committee for hydrilla control and removal may be used at the discretion of the Lake Anna Advisory Committee upon issues related to maintaining the health, safety, and welfare of Lake Anna.

D. 1. Subject to review and approval by the Secretary of Natural Resources, the Director of the Department of Game and Inland Fisheries may issue to the Department of Transportation an interim permit to relocate the nest and eggs of any state listed threatened bird species from critical areas of the Hampton Roads Bridge Tunnel Expansion Project s South Island associated with the ingress and egress to the island; the delivery, assembly, and immediate operations of the tunnel boring machine; or other project critical locations as mutually agreed to by the Commissioner of Highways and the Director, which, if not relocated, would effectively require all substantial construction activities to cease.

2. Prior to the issuance of an interim permit as described in section 1, (i) the Director must determine that the Department of Transportation and its design-build contractor have taken all reasonable steps to prevent birds from nesting on the South Island, in accordance with the Colonial Nesting Bird Management Plan dated March 27, 2020, (ii) the Commissioner of Highways must determine that substantial construction activities will have to cease if the nest and eggs are not relocated, and (iii) the Director shall require as a condition of the interim permit that the nest and any eggs will be relocated under the supervision of the Department of Game and Inland Fisheries to a location acceptable to the Director that is as close as possible to the original nesting location while allowing construction activities to continue.

3. Within 30 days of the adoption by the Board of Game and Inland Fisheries of any regulation governing the take of migratory birds or threatened and endangered species, the Department of Transportation shall apply for a permit covering such take for the Hampton Roads Bridge-Tunnel expansion project.

4. Any agency that exercises the authority granted in paragraph D. 1, or that issues any permit that has an adverse impact on fish and wildlife or their habitat, may require compensatory mitigation for such adverse impact as a condition of issuing the permit.

a. For the purposes of this section, "compensatory mitigation" means addressing the direct and indirect adverse impacts to fish and wildlife and their habitats that may be caused by a construction project by avoiding and minimizing impacts to the extent practicable and then compensating for the remaining impacts.

b. Proposed compensatory mitigation agreements between an agency and a permittee shall be subject to the approval of the Secretary of Natural Resources, and may include environmental restoration projects, purchase of mitigation bank credits, or in-lieu payments to existing state funds related to conservation offish and wildlife and their habitat.

373. A. Pursuant to §§ 29.1-101, 58.1-638, and 58.1-1410, Code of Virginia, deposits to the Game Protection Fund include an estimated $15,500,000 the first year and $15,500,000 the second year from revenue originating from the general fund.

B. Pursuant to § 29.1-101.01, Code of Virginia, the Department of Planning and Budget shall transfer such funds as designated by the Board of Game and Inland Fisheries from the Game Protection Fund (§ 29.1-101) to the Capital Improvement Fund (§ 29.1-101.01) up to an amount equal to 50 percent or less of the revenue deposited to the Game Protection Fund by § 3-1.01, subparagraph M, of this act.

C. Out of the amounts transferred pursuant to § 3-1.01, subparagraph K, of this act, $881,753 the first year and $881,753 the second year from the Game Protection Fund shall be used for the enforcement of boating laws, boating safety education, and for improving boating access.

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
Total for Department of Game and Inland Fisheries....			$63,831,765	$64,761,765
Nongeneral Fund Positions.....	496.00	496.00		
Position Level.....	496.00	496.00		
Fund Sources: Dedicated Special Revenue.....	$49,994,189	~~$50,924,189~~ $49,549,189		
Federal Trust.....	$13,837,576	~~$13,837,576~~ $15,212,576		

374. Not set out.

375. Not set out.

§ 1-27. MARINE RESOURCES COMMISSION (402)

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
376. Not set out.				
377. Coastal Lands Surveying and Mapping (51000).....			$2,929,820	~~$2,757,820~~ $2,846,883
Coastal Lands and Bottomlands Management (51001).....	$2,262,431	~~$2,090,431~~ $2,179,494		
Marine Resources Surveying and Mapping (51002)....	$667,389	$667,389		
Fund Sources: General.....	$1,858,641	~~$1,686,641~~ $1,775,704		
Dedicated Special Revenue.....	$889,179	$889,179		
Federal Trust.....	$182,000	$182,000		

Authority: Title 28.2, Chapters 12, 13, 14, 15 and 16; Title 62.1, Chapters 16 and 19, Code of Virginia.

A. Out of this appropriation, $245,687 the first year and ~~$233,637~~ $322,700 the second year from the general fund is designated for Virginia's share of an Army Corps of Engineers project to construct a seawall to preserve the harbor on Tangier Island.

B. Out of this appropriation, $160,000 the first year from the general fund is designated for completion of the public boat ramp project RF16-1 I/RF16-IIaI, including all necessary and reasonable improvements as may be required for public access.

	Item Details($)		Appropriations($)	
	First Year	Second Year	First Year	Second Year
	FY2019	FY2020	FY2019	FY2020
378. Not set out.				
379. Not set out.				
Total for Marine Resources Commission.....			**$26,776,948**	**~~$27,904,948~~ $27,994,011**
General Fund Positions.....	135.50	135.50		
Nongeneral Fund Positions.....	28.00	28.00		
Position Level.....	163.50	163.50		

Fund Sources: General.....	$14,237,535	~~$15,365,535~~ $15,454,598		
Special.....	$7,324,652	$7,324,652		
Commonwealth Transportation.....	$313,768	$313,768		
Dedicated Special Revenue.....	$1,470,193	$1,470,193		
Federal Trust.....	$3,430,800	$3,430,800		
380. Not set out.				
TOTAL FOR OFFICE OF NATURAL RESOURCES.....			**$437,740,909**	**~~$475,564,731~~ $475,803,794**
General Fund Positions.....	1,030.50	1,039.50		
Nongeneral Fund Positions.....	1,159.50	1,161.50		
Position Level.....	2,190.00	2,201.00		
Fund Sources: General.....	$162,357,711	~~$199,426,277~~ $199,665,340		
Special.....	$45,500,430	$45,841,017		
Commonwealth Transportation.....	$429,410	$429,410		
Enterprise.....	$13,037,574	$13,037,574		
Trust and Agency.....	$37,858,398	$37,858,398		
Dedicated Special Revenue.....	$95,357,806	~~$95,782,475~~ $94,407,475		
Federal Trust.....	$83,199,580	~~$83,189,580~~ $84,564,580		

OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY

	Item Details($)		**Appropriations($)**	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
381. Not set out.				
382. Not set out.				
383. Not set out.				

§ 1-28. VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY (999)

	Item Details($)		**Appropriati**	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Yea FY2020**
384. Not set out.				
385. Alcoholic Beverage Merchandising (80100).....			$716,914,931	~~$756,574,67~~ $769,162,86
Administrative Services (80101).....	$69,111,416	~~$69,149,514~~ $81,737,700		
Alcoholic Beverage Control Retail Store Operations (80102).....	$110,444,533	$115,252,665		
Alcoholic Beverage Purchasing, Warehousing and Distribution (80103).....	$537,358,982	$572,172,500		
Fund Sources: Enterprise.....	$716,914,931	~~$756,574,679~~ $769,162,865		

Authority: § 4.1-100 through § 4.1-133, Code of Virginia.

A. The Secretary of Finance shall chair an advisory committee to review the progress of the Alcoholic Beverage Control Authority in planning, financing, procuring, and implementing the information technology systems necessary to sustain the department's business enterprise. Members of this committee shall include the Secretary of Public Safety and Homeland Security: the Director, Department of Planning and Budget: the Director, Department of Accounts: the Chief Information Officer of the Commonwealth: the Auditor of Public Accounts: and the Staff Directors of the House Appropriations and Senate Finance Committees and/or their designees.

B. Funds appropriated for services related to state lottery operations shall be used solely for lottery ticket purchases and prize payouts.

C. The Alcoholic Beverage Control Board shall open additional stores in locations deemed to have the greatest potential for total increased sales in order to maximize profitability.

D. Notwithstanding § 4.1-120, Code of Virginia, the Alcoholic Beverage Control Board may open certain government stores, as determined by the Board, for the sale of alcoholic beverages on New Year's Day and on Sundays after 10:00 a.m.

E. Consistent with the provisions of Chapters 730 and 38, 2015 Acts of Assembly, members of the Board shall receive annually such salary, compensation, and reimbursement of expenses for the performance of their official duties as set forth in the general appropriation act for members of the House of Delegates when the General Assembly is not is session, except that the chairmen of the Board shall receive annually such salary, compensation, and reimbursement of expenses for the performance of his official duties as set forth in the general appropriation act for a member of the Senate of Virginia when the General Assembly is not in session.

	Item Details($)	**Appropriatio**

	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Virginia Alcoholic Beverage Control Authority.....			$737,002,906	~~$776,662,65~~ $789,250,84
Nongeneral Fund Positions.....	1,320.00	1,364.00		
Position Level.....	1,320.00	1,364.00		
Fund Sources: Enterprise.....	$736,302,906	~~$775,962,654~~ $788,550,840		
Federal Trust.....	$700,000	$700,000		

§ 1-29. DEPARTMENT OF CORRECTIONS (799)

	Item Details($)		Appropriation	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
386. Not set out.				
387. Not set out.				
387.10 Not set out.				
388. Not set out.				
389. Not set out.				
390. Operation of Secure Correctional Facilities (39800).....			$1,014,511,459	~~$1,013,081,71~~ $1,025,661,67
Supervision and Management of Inmates (39802)....	$499,024,754	~~$504,244,019~~ $505,238,350		
Rehabilitation and Treatment Services - Prisons (39803).....	$44,026,754	$44,172,440		
Prison Management (39805).....	$73,063,102	$73,063,102		
Food Services - Prisons (39807).....	$43,926,300	$43,926,300		
Medical and Clinical Services - Prisons (39810)	$221,312,692	~~$214,517,999~~ $226,103,624		
Agribusiness (39811).....	$10,481,833	$10,481,833		
Correctional Enterprises (39812).....	$50,303,706	$50,303,706		
Physical Plant Services - Prisons (39815).....	$72,372,318	$72,372,318		
Fund Sources: General.....	$956,711,582	~~$958,940,834~~ $971,520,790		
Special.....	$53,219,843	$53,219,843		
Dedicated Special Revenue.....	$3,658,994	$0		
Federal Trust.....	$921,040	$921,040		

Authority: §§ 53.1-1, 53.1-5, 53.1-8, and 53.1-10, Code of Virginia.

A. Included in this appropriation is $1,195,000 in the first year and $1,195,000 the second year from nongeneral funds for the purposes listed below. The source of the funds is commissions generated by prison commissary operations:

1. $170,000 the first year and $170,000 the second year for Assisting Families of Inmates, Inc., to provide transportation for family members to visit offenders in prison and other ancillary services to family members;

2. $950,000 the first year and $950,000 the second year for distribution to organizations that work to enhance faith-based services to inmates; and

3. $75,000 the first year and $75,000 the second year for the "FETCH" program.

B.1. The Department of Corrections is authorized to contract with other governmental entities to house male and female prisoners from those jurisdictions in facilities operated by the department.

2. The State Comptroller shall continue to maintain the Contract Prisoners Special Revenue Fund on the books of the Commonwealth to reflect the activities of contracts between the Commonwealth of Virginia and other governmental entities for the housing of prisoners in facilities operated by the Virginia Department of Corrections.

3. The Department of Corrections shall determine whether it may be possible to contract to house additional federal inmates or inmates from other states in space available within state correctional facilities. The department may, subject to the approval of the Governor, enter into such contracts, to the extent that sufficient bedspace may become available in state facilities for this purpose.

C. The Department of Corrections may enter into agreements with local and regional jails to house state-responsible offenders in such facilities and to effect transfers of convicted state felons between and among such jails. Such agreements shall be governed by the provisions of Item 67 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.

G. Out of this appropriation, $921,040 the first year and $921,040 the second year from nongeneral funds is included for inmate medical costs. The sources of the nongeneral funds are an award from the State Criminal Alien Assistance Program, administered by the U.S. Department of Justice.

H.1. The Department of Corrections, in coordination with the Virginia Supreme Court, shall continue to operate a behavioral correction program. Offenders eligible for such a program shall be those offenders: (i) who have never been convicted of a violent felony as defined in § 17.1-805 of the Code of Virginia and who have never been convicted of a felony violation of §§ 18.2-248 and 18.2-248.1 of the Code of Virginia; (ii) for whom the sentencing guidelines developed by the Virginia Criminal Sentencing Commission would recommend a sentence of four years or more in facilities operated by the Department of Corrections; and (iii) whom the court determines require treatment for drug or alcohol substance abuse. For any such offender, the court may impose the appropriate sentence with the stipulation that the Department of Corrections place the offender in an intensive therapeutic community-style substance abuse treatment program as soon as possible after receiving the offender. Upon certification by the Department of Corrections that the offender has successfully completed such a program of a duration of 24 months or longer, the court may suspend the remainder of the sentence imposed by the court and order the offender released to supervised probation for a period specified by the court.

2. If an offender assigned to the program voluntarily withdraws from the program, is removed from the program by the Department of Corrections for intractable behavior, fails to participate in program activities, or fails to comply with the terms and conditions of the program, the Department of Corrections shall notify the court, outlining specific reasons for the removal and shall reassign the defendant to another incarceration assignment as appropriate. Under such terms, the offender shall serve out the balance of the sentence imposed by the court, as provided by law.

3. The Department of Corrections shall collect the data and develop the framework and processes that will enable it to conduct an in-depth evaluation of the program three years after it has been in operation. The department shall submit a report periodically on the program to the Chief Justice as he may require and shall submit a report on the implementation of the program and its usage to the Secretary of Public Safety and Homeland Security and the Chairmen of the House Appropriations and Senate Finance Committees by June 30 of each year.

I. Included in the appropriation for this Item is $250,000 the first year and $250,000 the second year from nongeneral funds for a culinary arts program in which inmates are trained to operate food service activities serving agency staff and the general public. The source of the funds shall be revenues generated by the program. Any revenues so generated by the program shall not be subject to § 4-2.02 of this act and shall be used by the agency for the costs of operating the program. The State Comptroller shall continue to maintain the Inmate Culinary Arts Training Program Fund on the books of the Commonwealth to reflect the revenue and expenditures of this program.

J. The Department of Corrections shall continue to coordinate with the Department of Medical Assistance Services and the Department of Social Services to enroll eligible inmates in Medicaid. To the extent possible, the Department of Corrections shall work to identify potentially eligible inmates on a proactive basis, prior to the time inpatient hospitalization occurs. Procedures shall also include provisions for medical providers to bill the Department of Medical Assistance Services, rather than the Department of Corrections, for eligible inmate inpatient medical expenses. Due to the multiple payor sources associated with inpatient and outpatient health care services, the Department of Corrections and the Department of Medical Assistance Services shall consult with the applicable provider community to ensure that administrative burdens are minimized and payment for health care services is rendered in a prompt manner.

K. Federal funds received by the Department of Corrections from the federal Residential Substance Abuse Treatment Program shall be exempt from payment of statewide and agency indirect cost recoveries into the general fund.

L. Included in the appropriation for this item is funding for the first year and the second year from the general fund for six medical contract monitors. The persons filling these positions shall have the responsibility of closely monitoring the adequacy and quality of inmate medical services in those correctional facilities for which the department has contracted with a private vendor to provide inmate medical services.

M. The Department of Corrections shall continue to operate a separate program for inmates under 18 years old who have been tried and convicted as adults and committed to the Department of Corrections. This separation of these offenders from the general prison population is required by the requirements of the federal Prison Rape Elimination Act.

N. Included in the appropriation for this item is $3,525,783 in the second year from the general fund for the Department of Corrections to use for initiatives to improve recruitment and retention of correctional personnel. Of this amount, $1,051,567 is provided for targeted salary actions for correctional officers at Augusta Correctional Center.

O. In the introduced budget for the biennium beginning on July 1, 2020, the Department of Planning and Budget shall create a new program within the Department of Corrections for the appropriations related to inmate healthcare. Appropriation under the service area for "Medical and Clinical Services - Prisons (39810)," shall be transferred to the new Item created pursuant to this paragraph.The program shall allocate the funding into appropriate service areas to identify: healthcare contracts; offsite care; medical transportation; medications; and other appropriate allocations.

P. Included within the appropriation for this item is $70,000 the second year from the general fund for the Sex Offender Residential Treatment Program.

Q. The Department of Corrections and the VCU Health System and UVA Health System shall collaborate on a plan to ensure that inmates with long-term or high-cost prescription drug needs receive treatment from a federal 340-B covered entity. The Department shall begin development of the plan as soon as is practicable and report to the House Appropriations and Senate Finance Committees by January 1, 2020.

R. The Department of Corrections shall convene a workgroup to develop a plan for a pilot partnership for a university health system to provide comprehensive health care for the inmates in at least one state correctional facility. The workgroup shall be co-chaired by the director of the Department of Corrections, the chief executive officer of the VCU Health System, and the executive vice president for health affairs at the University of Virginia. The workgroup shall jointly submit an interim update to the House Appropriations and Senate Finance Committees no later than November 1, 2019; and jointly submit a final plan for the pilot partnership no later than January 1, 2020. The plan shall include (i) the facility or facilities included in the pilot, (ii) staffing needs for providing health care services, (iii) the amount and structure of payment to the university, and (iv) how the effectiveness of the pilot project will be evaluated.

	Item Details($)		Appropriatio	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
391. Administrative and Support Services (39900).....			$104,025,032	$110,564,916
General Management and Direction (39901).....	$17,005,366	$17,005,366		
Information Technology Services (39902).....	$37,096,261	$43,336,178		

Accounting and Budgeting Services (39903).....	$5,098,156	$5,098,156
Architectural and Engineering Services (39904).....	$6,482,895	$6,782,862
Jail Regulation, Inspections, and Investigations (39905).....	$465,274	$465,274
Human Resources Services (39914).....	$5,944,758	$5,944,758
Planning and Evaluation Services (39916).....	$799,987	$799,987
Procurement and Distribution Services (39918).....	$13,120,696	$13,120,696
Training Academy (39929).....	$7,910,592	$7,910,592
Offender Classification and Time Computation Services (39930).....	$10,101,047	$10,101,047
Fund Sources: General.....	$98,884,006	$102,676,179
Special.....	$4,987,220	$7,734,931
Dedicated Special Revenue.....	$153,806	$153,806

Authority: §§ 53.1-1 and 53.1-10, Code of Virginia.

A.1. Any plan to modernize and integrate the automated systems of the Department of Corrections shall be based on developing the integrated system in phases, or modules. Furthermore, any such integrated system shall be designed to provide the department the data needed to evaluate its programs, including that data needed to measure recidivism.

2. The appropriation in this Item includes $2,868,500 the first year and $2,135,500 the second year from the Contract Prisoners Special Revenue Fund to defray a portion of the costs of maintaining and enhancing the offender management system, including the development of an electronic health records system. In addition to any general fund appropriations, the Department of Corrections may, subject to the authorization of the Director, Department of Planning and Budget, utilize additional revenue deposited in the Contract Prisoners Special Revenue Fund to support the development of the offender management system.

B. Included in this appropriation is $550,000 the first year and $550,000 the second year from nongeneral funds to be used for installation and operating expenses of the telemedicine program operated by the Department of Corrections. The source of the funds is revenue from inmate fees collected for medical services.

C. Included in this appropriation is $1,100,000 the first year and $1,100,000 the second year from nongeneral funds to be used by the Department of Corrections for the operations of its Corrections Construction Unit. The State Comptroller shall continue the Corrections Construction Unit Special Operating Fund on the Commonwealth Accounting and Reporting System to reflect the activities of contracts between the Corrections Construction Unit and (i) institutions within the Department of Corrections for work not related to a capital project and (ii) agencies without the Department of Corrections for work performed for those agencies.

D. Notwithstanding the provisions of § 53.1-20 A. and B., Code of Virginia, the Director, Department of Corrections, shall receive offenders into the state correctional system from local and regional jails at such time as he determines that sufficient, secure and appropriate housing is available, placing a priority on receiving inmates diagnosed and being treated for HIV, mental illnesses requiring medication, or Hepatitis C. The director shall maximize, consistent with inmate and staff safety, the use of bed space in the state correctional system. The director shall report monthly to the Secretary of Public Safety and Homeland Security and the Department of Planning and Budget on the number of inmates housed in the state correctional system, the number of inmate beds available, and the number of offenders housed in local and regional jails that meet the criteria set out in § 53.1-20 A. and B.

E. Notwithstanding any requirement to the contrary, any building, fixture, or structure to be placed, erected or constructed on, or removed or demolished from the property of the Commonwealth of Virginia under the control of the Department of Corrections shall not be subject to review and approval by the Art and Architectural Review Board as contemplated by § 2.2-2402, Code of Virginia. However, if the Department of Corrections seeks to construct a facility that is not a secure correctional facility or a structure located on the property of a secure correctional facility, then the Department of Corrections shall submit that structure to the Art and Architectural Review Board for review and approval by that board. Such other structures could include probation and parole district offices or regional offices.

F. The Commonwealth of Virginia shall convey 45 acres (more or less) of property, being a portion of Culpeper County Tax Map No. 75, parcel 32, lying in the Cedar Mountain Magisterial District of Culpeper County, Virginia, in consideration of the County's construction of water capacity and service line(s) adequate to serve the needs of the Department of Corrections' Coffeewood Facility and the Department of Juvenile Justice's Culpeper Juvenile Correctional Facility (hereinafter "the facilities"). The cost of the water improvements necessary to serve the facilities, including an eight-inch water service line, and including engineering and land/easement acquisition costs, shall be paid by the Commonwealth, less and except (i) the value of the property for the jail conveyed by the Commonwealth to the County ($150,382, based on valuation by the Culpeper County Assessor), and (ii) the cost of increasing the size of the water service line from eight inches to twelve inches, in order to accommodate planned county needs.

G. Notwithstanding the provisions of § 58.1-3403, Code of Virginia, the Department of Corrections shall be exempt from the payment of service charges levied in lieu of taxes by any county, city, or town.

H. The Department of Corrections shall serve as the Federal Bonding Coordinator and shall work with the Virginia Community College System and its workforce development programs and services to provide fidelity bonds to those offenders released from jails or state correctional centers who are required to provide fidelity bonds as a condition of employment. The department is authorized to use funds from the Contract Prisoners Special Revenue Fund to pay the costs of this activity.

I. In the event the Department of Corrections closes a correctional facility for which it has entered into an agreement with any locality to pay a proportionate share of the debt service for the establishment of utilities to serve the facility, the department shall continue to pay its agreed upon share of the debt service, subject to the schedule previously agreed upon.

J. Included in the appropriation for this Item is $1,000,000 the first year and $1,000,000 the second year from the general fund for the costs of security technology and hardware for the inmate telephone system.

K. From the appropriation in this Item, $500,000 the first year and $500,000 the second year from the general fund shall be used to present seminars on overcoming obstacles to re-entry and to promote family integration in the correctional centers designated for intensive re-entry programs. The department shall submit a report by October 15 of each year to the chairmen of the House Appropriations and Senate Finance Committees, the Secretary of Public Safety and Homeland Security, and the Department of Planning and Budget on the use of this funding.

L. Included in the appropriation for this Item is $50,000 the first year from the general fund for the estimated net increase in the operating cost of adult correctional facilities resulting from the enactment of sentencing legislation as listed below. This amount shall be paid into the Corrections Special Reserve Fund, established pursuant to § 30-19.1:4, Code of Virginia.

1. Chapter 549 --$50,000.

M. Included in the appropriation for this Item is $175,000 in the first year and $200,000 in the second year from the general fund and two positions to assist the Board of Corrections in carrying out its duties under the authority of § 53.1-69.1, Code of Virginia, to review deaths of inmates in local correctional facilities.

N. 1. Consistent with the provisions of Chapter 198 of the 2017 Session of the General Assembly, the Director, Department of Corrections, shall implement the recommendations relating to the Department of Corrections made by the Department of Medical Assistance Services in its November 30, 2017 report on streamlining the Medicaid application and enrollment process for incarcerated individuals.

2. For the purpose of implementing these recommendations, included in the appropriation for this item are $71,503 the first year and $37,400 the second year from the general fund, and $420,993 the first year and $112,200 the second year from nongeneral funds and two positions.

O. The Department of Corrections shall evaluate potential options to reduce the number of state-responsible inmates with serious mental illness who serve the entirety of their state-responsible sentences in, and are released directly from, local and regional jails. In its evaluation, and using the definition of serious mental illness in accordance with the American Correctional Association, the Department shall give consideration to (i) the number of state-responsible inmates identified by jail staff with serious mental illness held in regional jails, the jails in which they are held, their diagnostic category as delineated in the DSM-V, the length of their state-responsible sentence and the type of their offense, and whether they were assigned to a DBHDS facility from the jail for evaluation; (ii) which among these offenders should be prioritized for transfer to a state correctional facility; (iii) the current inmate population with serious mental illness held in state correctional facilities, their diagnosis and the acuity of their symptoms, and the length of their sentence and the type of their offenses; (iv) the facilities and services currently provided for the treatment of inmates with serious mental illness held in state correctional facilities; and, (v) what additional capital and operating resources would be needed by the Department to facilitate a reduction in the number of state-responsible inmates with serious mental illness serving the entirety of their sentence in local and regional jails. The Department shall provide the results of its evaluation to the Chairmen of the House Appropriations and Senate Finance Committees no later than October 15, 2018.

P. The Department of Corrections shall assess its long-term facility needs with respect to providing appropriate levels of medical and mental health care to its offender population. At a minimum, the assessment shall include (i) a summary of the Department's existing clinical, geriatric, assisted living, and mental health capacity, and an assessment of the sufficiency of this existing capacity to meet the current and future needs of the Department's offender population; (ii) a prioritized list of capital projects which may be needed to address the Department's current or future needs for capacity in relation to (i) which shall include a discussion of the methodology used by the Department to prioritize projects and the estimated cost of each project; and, (iii) a short-term plan to house offenders in a manner which reduces the risks related to transmittable diseases. The Department shall provide the results of its assessment to the Director, Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance Committees no later than October 1, 2018.

Q. By September 1 of each year, the Department of Corrections shall remit data to the Director of the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees regarding medical treatment provided to offenders at each facility. The data shall include, as a proportion of average daily population at each facility, the levels of inmates who received care, including: the specific proportions of inmates from each facility who were treated as inpatients, the specific proportion of inmates from each facility who were treated as outpatients, data on prescription drug administration, and the proportion of inmates from each facility who received other discrete services. When negotiating contracts with healthcare vendors, the Department of Corrections shall include the reporting of data required under this paragraph as a requirement within the contract.

R. Included in the appropriation for this Item is $349,967 the second year from the general fund for the estimated net increase in the operating cost of adult correctional facilities resulting from the enactment of sentencing legislation passed by the 2019 Session of the General Assembly as listed below. This amount shall be paid into the Corrections Special Reserve Fund, established pursuant to § 30-19.1:4, Code of Virginia.

1. House Bill 1874/Senate Bill 1604 -- $50,000

2. House Bill 1911 --$50,000

3. House Bill 1941 --$50,000

4. House Bill 2528 --$149,967

5. House Bill 2586 -- $50,000.

S. The Department of Corrections is authorized to purchase from the Town of Craigsville approximately 122 acres, more or less, located adjacent to the Augusta Correctional Center. In consideration for this acreage, the Department will provide wastewater treatment services to the Town at no cost for a period adequate to equal the value of the property conveyed. The value of the property shall be established by averaging the value of one appraisal provided by the Department of Corrections and one by the Town of Craigsville.

T. The Director, Department of Corrections, consistent with the December 4, 2018 recommendations of the Joint Subcommittee on Mental Health Services in the 21st Century, shall develop policies to improve the exchange of offender medical information, including electronic exchange of information for telemedicine, telepsychiatry, and electronic medical chart access by health care providers. The Director shall provide a report detailing its policies and implementation plan to to the Joint Subcommittee no later than October 1, 2019.

U. The Commonwealth of Virginia shall convey 65 acres of property consisting of Clarke County Tax Map No. 27, new parcel A, situated in the Greenway Magisterial District of Clarke County, Virginia, to the Virginia Port Authority (VPA), on behalf of the Virginia Inland Port (VIP). The VPA, on behalf of the VIP, shall collaborate with representatives of Clarke County to promote the use of the land for economic development purposes. The VIP shall enter into a memorandum-of-understanding with Clarke County on the development and execution of mutually advantageous economic development proposals.

VI. Notwithstanding any other provision of law, upon the declaration by the Governor of a state of emergency pursuant to § 44-146.17 of the Code of Virginia in response to a communicable disease of public health threat as defined in § 44-146.16 of the Code of Virginia, the Director shall, during the duration of the declared emergency, have the authority to (i) discharge from incarceration or (ii) place into a lower level of supervision, including probation supervision, home electronic incarceration, or other forms of community corrections, any prisoner committed to the Department who has less than one year of his sentence remaining to be served prior to his scheduled release if the Director determines that (a) any such discharge or placement during the declared emergency will assist in maintaining the health, safety, and welfare of any prisoner discharged or placed or the prisoners remaining in state correctional facilities and (b) any such discharge or placement is compatible with the interests of society and public safety.

2. The provisions of this section shall not apply to a prisoner convicted of a Class 1 felony or a sexually violent offense as defined in § 37.2-900 of the Code of Virginia.

3. The Director shall develop procedures for implementing the provisions of this section which shall include provisions addressing reentry planning in accordance with § 53.1-32.2 of the Code of Virginia. To the extent practicable, the Director shall comply with all

provisions of the Virginia Code relating to providing notice of a prisoner's discharge; however, any failure to comply with such notice provisions shall not affect the Director's authority to discharge a prisoner pursuant to this section.

4. The provisions of this section shall expire on July 1, 2021.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for Department of Corrections.....			**$1,269,716,607**	~~**$1,276,972,490**~~ **$1,289,552,446**
General Fund Positions.....	12,269.00	12,308.00		
Nongeneral Fund Positions.....	233.50	233.50		
Position Level.....	12,502.50	12,541.50		
Fund Sources: General.....	$1,202,416,730	~~$1,210,583,896~~ $1,223,163,852		
Special.....	$59,192,063	$61,939,774		
Dedicated Special Revenue.....	$6,276,496	$2,617,502		
Federal Trust.....	$1,831,318	$1,831,318		
392. Not set out.				
393. Not set out.				
394. Not set out.				
395. Not set out.				
396. Not set out.				
397. Not set out.				
398. Not set out.				
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417. Not set out.				
418. Not set out.				
419. Not set out.				
420. Not set out.				
421. Not set out.				
422. Not set out.				
423. Not set out.				
TOTAL FOR OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY.....			**$3,148,507,864**	~~**$3,213,984,519**~~ **$3,239,152,661**
General Fund Positions.....	17,574.32	17,638.32		
Nongeneral Fund Positions.....	2,509.18	2,562.18		
Position Level.....	20,083.50	20,200.50		
Fund Sources: General.....	$2,022,308,156	~~$2,049,150,389~~ $2,061,730,345		
Special.....	$155,424,111	$158,150,072		
Commonwealth Transportation.....	$10,296,096	$10,296,096		
Enterprise.....	$736,302,906	~~$775,962,654~~ $788,550,840		

Trust and Agency.....	$4,818,130	$4,818,130
Dedicated Special Revenue.....	$36,472,895	$32,813,901
Federal Trust.....	$182,885,570	$182,793,277

OFFICE OF TECHNOLOGY

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
424. Omitted.				
425. Omitted.				
426. Omitted.				
427. Omitted.				
428. Omitted.				
429. Omitted.				
430. Omitted.				
431. Omitted.				
432. Omitted.				
TOTAL FOR OFFICE OF TECHNOLOGY.....			**$0**	**$0**

OFFICE OF TRANSPORTATION

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
433. Not set out.				
434. Not set out.				
435. Not set out.				
436. Not set out.				
437. Not set out.				
438. Not set out.				

§ 1-30. DEPARTMENT OF MOTOR VEHICLES (154)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
439. Ground Transportation Regulation (60100).....			$214,215,235	$211,832,588
Customer Service Centers Operations (60101).....	$148,942,473	$153,389,781		
Ground Transportation Regulation and Enforcement (60103).....	$44,194,258	$44,327,968		
Motor Carrier Regulation Services (60105).....	$21,078,504	$14,114,839		
Fund Sources: Commonwealth Transportation.....	$206,768,635	$204,385,988		
Trust and Agency.....	$5,446,600	$5,446,600		
Federal Trust.....	$2,000,000	$2,000,000		

Authority: Title 46.2, Chapters 1, 2, 3, 6, 8, 10, 12, 15, 16, and 17; §§ 18.2-266 through 18.2-272; Title 58.1, Chapters 21 and 24, Code of Virginia. Title 33, Chapter 4, United States Code.

A. The Commissioner, Department of Motor Vehicles, is authorized to establish, where feasible and cost efficient, contracts with private/public partnerships with commercial operations, to provide for simplification and streamlining of service to citizens through electronic means. Provided, however, that such commercial operations shall not be entitled to compensation as established under § 46.2-205, Code of Virginia, but rather at rates limited to those established by the commissioner.

B. The Department of Motor Vehicles shall work to increase the use of alternative service delivery methods, which may include offering discounts on certain transactions conducted online, as determined by the department. As part of its effort to shift customers to internet usage where applicable, the department shall not charge its customers for the use of credit cards for internet or other types of transactions: however, this restriction shall not apply with respect to any credit or debit card transactions the department conducts on behalf of another agency, provided (i) the other agency is authorized to charge customers for the use of credit or debit cards and (ii) the merchant's fees and other transaction costs imposed by the card issuer are charged to the department.

C. In order to provide citizens of the Commonwealth greater access to the Department of Motor Vehicles, the agency is authorized to enter into an agreement with any local constitutional officer or combination of officers to act as a license agent for the department, with the consent of the chief administrative officer of the constitutional officer's county or city, and to negotiate a separate compensation schedule for such office other than the schedule set out in § 46.2-205, Code of Virginia. Notwithstanding any other provision of law, any compensation due to a constitutional officer serving as a license agent shall be remitted by the department to the officer's county or city on a monthly basis, and not less than 80 percent of the sums so remitted shall be appropriated by such county or city to the office of the constitutional officer to compensate such officer for the additional work involved with processing transactions for the department. Funds appropriated to the constitutional office for such work shall not be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law.

D. The base compensation for DMV Select Agents shall be set at 4.5 percent of gross collections for the first $500,000 and 5.0 percent of all gross collections in excess of $500,000 made by the entity during each fiscal year on such state taxes and fees in place as a matter of law. The commissioner shall supply the agents with all necessary agency forms to provide services to the public, and shall cause to be paid all freight and postage, but shall not be responsible for any extra clerk hire or other business-related expenses or business equipment expenses occasioned by their duties.

E. Out of the amounts identified in this Item, an amount estimated at $350,801 the first year and $350,801 the second year from the Commonwealth Transportation Fund shall be paid to the Washington Metropolitan Area Transit Commission.

F.1. Notwithstanding any other provision of law, the department shall assess a minimum fee of $15 for all titles. The revenue generated from this fee shall be set aside to meet the expenses of the department.

2. Notwithstanding any other provision of law, the department shall assess a $10 late fee on all registration renewal transactions that occur after the expiration date. The late fee shall not apply to those exceptions granted under § 46.2-221.4, Code of Virginia. In assessing the late renewal fee the department shall provide a ten day grace period for transactions conducted by mail to allow for administrative processing. This grace period shall not apply to registration renewals for vehicles registered under the International Registration Plan. The revenue generated from this fee shall be set aside to meet the expenses of the department.

3. Notwithstanding any other provision of law, the department shall establish a $20 minimum fee for original driver's licenses and replacements. The revenue generated from this fee shall be set aside to meet the expenses of the department.

G. The Department of Motor Vehicles is hereby granted approval to renew or extend existing capital leases due to expire during the current biennium for existing customer service centers.

H. The Department of Motor Vehicles is hereby appropriated revenues from the additional sales tax on fuel in certain transportation districts to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § 58.1-2295, Code of Virginia.

I. The Commissioner of the Department of Motor Vehicles, in consultation with the Commissioner of Highways, shall take such steps as may be necessary to expand access to the E-ZPass program through its customer service channels using such locations and methods as are practicable.

J. The Department of Motor Vehicles is hereby granted approval to distribute the transactional charges of the Cardinal accounting system to state agencies, when the transactions involve funds passed through the department to the benefiting agency. This paragraph shall not pertain to Direct Aid to Public Education.

K. The Department of Motor Vehicles is hereby granted approval to distribute a portion of its indirect cost allocation charge to another state agency when the charge is related to revenue collected and transferred by the department to the state agency. Such transfers shall be based on the agency's proportionate share of the department's total transactions in the immediately preceding fiscal year. The Department shall annually submit to the Department of Planning and Budget a summary of the transfer amounts and the transaction volumes used to allocate the internal cost amounts.

L. Notwithstanding § 46.2-688, Code of Virginia, the Department of Motor Vehicles shall not be required to refund a proration of the total cost of a motor vehicle registration when less than six months remain in the registration period. Any resulting savings shall be retained and used to meet the expenses of the Department.

M. Notwithstanding § 46.2-342, Code of Virginia, the Department of Motor Vehicles shall not be required to include organ donation brochures with every driver's license renewal notice or application mailed to licensed drivers.

N. The Commissioner shall only refuse to issue or renew any vehicle registration pursuant to subsection L of § 46.2-819.3:1 of an operator or owner of a vehicle who has no prior resolution, whether that resolution is by settlement or conviction, for offenses under § 46.2-819.3:1 if, in addition to the conditions set forth in subsection L of § 46.2-819.3:1 for such refusal, the toll operator has offered the individual a settlement of no more than $2,200.

O.1. Pursuant to § 3-2.03 of this act, a line of credit up to $10,500,000 is provided to the Department of Motor Vehicles as a temporary cash flow advance. The Department shall transfer such related funds to its special fund. Funds received from the line of credit shall be used to support operational costs related to the implementation and issuance of REAL ID compliant credentials. The Department is authorized to impose a $10 surcharge on all first issuances of REAL ID compliant credentials that are acceptable for federal purposes. The surcharge shall be used to reimburse the line of credit. The request for the line of credit shall be prepared in the formats as approved by the Secretary of Finance and Secretary of Transportation.

2. At least 10 days prior to any draw downs from this line of credit, the Secretaries of Finance and Transportation shall report to the Chairmen of the House Appropriations and Senate Finance Committees the following: (i) the amount of any proposed draw down, (ii) the incremental and cumulative costs associated with system modifications and equipment, (iii) the incremental and cumulative number of full-time equivalent positions and part-time positions filled to support the implementation of the federal REAL ID Act, and (iv) the intended usage of any new draw downs. Subsequent to October 1, 2018, the department shall report on a quarterly basis to the Chairmen of the House Appropriations and Senate Finance Committees on the number of REAL ID compliant credentials that have been issued and any changes in average wait times at DMV offices that have resulted from the increased workload. The first report shall be submitted by January 1, 2019 for the period October 1, 2018 through December 31, 2018, and additional reports shall be submitted every three months thereafter.

P. The Commissioner of the Department of Motor Vehicles, in consultation with applicable stakeholder groups, shall report on the feasibility and advisability of outsourcing driver license road tests for adults. Such report shall be submitted to the Chairmen of the House and Senate Transportation Committees no later than November 15, 2018.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
440. Not set out.				
441. Not set out.				
Total for Department of Motor Vehicles.....			**$296,111,488**	**$293,572,006**
Nongeneral Fund Positions.....	2,080.00	~~2,080.00~~ 2,180.00		
Position Level.....	2,080.00	~~2,080.00~~ 2,180.00		

Fund Sources: Commonwealth Transportation.....	$284,695,564	$282,156,082		
Trust and Agency.....	$5,446,600	$5,446,600		
Federal Trust.....	$5,969,324	$5,969,324		
442. Not set out.				
443. Not set out.				
Grand Total for Department of Motor Vehicles			**$479,758,017**	**$479,418,535**
Nongeneral Fund Positions.....	2,080.00	~~2,080.00~~ 2,180.00		
Position Level.....	2,080.00	~~2,080.00~~ 2,180.00		
Fund Sources: Commonwealth Transportation.....	$285,087,064	$282,547,582		
Trust and Agency.....	$10,946,600	$10,946,600		
Dedicated Special Revenue.....	$151,500,000	$153,700,000		
Federal Trust.....	$32,224,353	$32,224,353		
444. Not set out.				
445. Not set out.				
446. Not set out.				
447. Not set out.				

§ 1-31. DEPARTMENT OF TRANSPORTATION (501)

	Item Details($)		Appropriations(	
	First Year	**Second Year**	**First Year**	**Second Year**
	FY2019	**FY2020**	**FY2019**	**FY2020**
448. Environmental Monitoring and Evaluation (51400)			$24,211,863	~~$20,494,379~~ $23,494,379
Environmental Monitoring and Compliance for Highway Projects (51408).....	$6,722,931	$6,876,404		
Environmental Monitoring Program Management and Direction (51409).....	$3,293,882	$3,356,739		
Municipal Separate Storm Sewer System (MS4) Compliance Activities (51410).....	$14,195,050	~~$10,261,236~~ $13,261,236		
Fund Sources: Commonwealth Transportation.....	$24,211,863	~~$20,494,379~~ $23,494,379		
449. Ground Transportation Planning and Research (60200).....			$75,153,449	~~$76,658,340~~ $77,685,632
Ground Transportation System Planning (60201)	$61,573,678	~~$62,853,660~~ $63,887,284		
Ground Transportation System Research (60202).....	$9,500,838	$9,606,334		
Ground Transportation Program Management and Direction (60204).....	$4,078,933	~~$4,198,346~~ $4,192,014		
Fund Sources: Commonwealth Transportation.....	$75,153,449	$76,658,340 ~~$77,685,632~~		

Authority: Title 33.2, Code of Virginia.

A. Included in the amount for ground transportation system planning and research is no less than $6,500,000 the first year and no less than $6,500,000 the second year from the highway share of the Transportation Trust Fund for the planning and evaluation of options to address transportation needs.

B. In addition, the Commonwealth Transportation Board may approve the expenditures of up to $500,000 the first year and $500,000 the second year from the highway share of the Transportation Trust Fund for the completion of advance activities, prior to the initiation of an individual project's design along existing highway corridors, to determine short-term and long-term improvements to the corridor. Such activities shall consider safety, access management, alternative modes, operations, and infrastructure improvements. Such funds shall be used for, but are not limited to, the completion of activities prior to the initiation of an individual project's design or to benefit identification of needs throughout the state or the prioritization of those needs. For federally eligible activities, the activity or item shall be included in the Commonwealth Transportation Board's annual update of the Six-Year Improvement program so that (i) appropriate federal funds may be allocated and reimbursed for the activities and (ii) all requirements of the federal Statewide Transportation Improvement Program can be achieved.

C. Notwithstanding the provisions of Chapter 729 and Chapter 733 of the 2012 Acts of Assembly, the Commonwealth Transportation Board shall not reallocate any funds from projects on roadways controlled by any county that has withdrawn or elects to withdraw from the secondary system of state highways, nor from any roadway controlled by a city or town as part of the state's urban roadway system, based on a determination of nonconformity with the Commonwealth Transportation Board's Statewide Transportation Plan or the Six-Year Improvement Program. In jurisdictions that maintain roadways within their boundaries, the provisions of § 33.2-214, Code of Virginia, shall apply only to highways controlled by the Department of Transportation.

D. The prioritization process developed under § 33.2-214.1, Code of Virginia, shall not apply to use of funds provided in this Item from the federal apportionments in the State Planning and Research Program.

	Item Details($)		Appropria	
	First Year	**Second Year**	**First Year**	**Second Ye**

	FY2019	FY2020	FY2019	FY2020
450. Highway Construction Programs (60300).....			$2,907,209,244	~~$2,447,226~~ $3,206,571
Highway Construction Program Management (60315).....	$42,834,638	~~$42,367,081~~ $43,617,081		
State of Good Repair Program (60320).....	$85,614,863	$43,176,315		
High Priority Projects Program (60321).....	$144,334,403	~~$113,834,068~~ $147,164,284		
Construction District Grant Programs (60322).....	$156,831,439	~~$109,161,887~~ $142,492,103		
Specialized State and Federal Programs (60323)	$1,985,035,681	~~$1,608,632,265~~ $2,300,064,553		
Legacy Construction Formula Programs (60324)	$492,558,220	$530,056,924		
Fund Sources: Commonwealth Transportation.....	$2,687,816,000	~~$2,110,013,955~~ $2,861,856,675		
Trust and Agency.....	$219,393,244	~~$337,214,585~~ $344,714,585		

Authority: Title 33.2, Chapter 3; Code of Virginia; Chapters 8, 9, and 12, Acts of Assembly of 1989, Special Session II.

A. From the appropriation for specialized state and federal programs funds shall be distributed as follows:

1. $108,071,298 the first year and $119,318,608 the second year in federal state and matching funds shall be allocated for regional Surface Transportation Block Grant Funds and distributed to applicable metropolitan planning organizations pursuant to 23 USC 133;

2. $53,122,502 the first year and $53,122,502 the second year in federal and state matching funds shall be allocated for the Highway Safety Improvement Program pursuant to 23 USC 148:

3. $78,058,001 the first year and $81,142,944 the second year in federal and state matching funds shall be allocated for the Congestion Mitigation Air Quality program pursuant to 23 USC 149;

4. $100,000,000 the first year and $100,000,000 the second year shall be allocated for the Revenue Sharing Program pursuant to § 33.2-357, Code of Virginia;

5. $20,265,939 the first year and $20,087,475 the second year in federal funds shall be allocated for the Surface Transportation Block Grant Program Set-Aside to 23 USC 133(h).

6. $424,441,132 the first year and $265,367,043 the second year in appropriation represents the estmated project participation costs from localities and regional entities.

7. $150,908,817 the second year in this appropriation represents the bond proceeds to be used for the Route 58 Corridor Development Program.

8. $2,736,051 the first year and $4,183,261 the second year in state funds shall be allocated to the Virginia Transportation Infrastructure Bank pursuant to § 33.2-1500 et seq, Code of Virginia.

9. $1,368,025 the first year and $2,091,630 the second year in state funds shall be allocated to the Transportation Partnership Opportunity Fund pursuant to § 33.2-1529.1, Code of Virginia.

B. Notwithstanding § 33.2-358, Code of Virginia, the proceeds from the lease or sale of surplus and residue property purchased under this program in excess of related costs shall be applied to the State of Good Repair Program pursuant to § 33.2-369, Code of Virginia. Proceeds must be used on Federal Title 23 eligible projects.

C. The Director of the Department of Planning and Budget is authorized to increase the appropriation as needed to utilize amounts available from prior year balances in the dedicated funds and adjust items to the most recent Commonwealth Transportation Board budget.

D. Funds appropriated for legacy formula construction programs shall be used for the purposes enumerated in subsection C of § 33.2-358, Code of Virginia, or as previously appropriated.

E. Included in the amounts for specialized state and federal programs is the reappropriation of $145,700,000 the first year and $135,100,000 the second year from bond proceeds or dedicated special revenues for anticipated expenditure of amounts collected in prior years. The amounts will be provided from balances in the Capital Projects Revenue Bond Fund, Federal Transportation Grant Anticipation Revenue Bond Fund, Northern Virginia Transportation District Fund, State Route 28 Highway Improvement District Fund, U.S. Route 58 Corridor Development Fund and the Priority Transportation Fund. These amounts were originally appropriated when received or forecasted and are not related to FY 2017 and FY 2018 estimated revenues.

F. The Director of the Department of Planning and Budget is authorized to increase the appropriation as needed to utilize amounts available from prior year balances in the Concession Payments Account to support project activities.

H. The Commonwealth Transportation Board shall, no later than December 1, 2018, review and report to the Chairmen of the House and Senate Committees on Transportation, the Joint Transportation Accountability Commission, the House Committee on Appropriations and the Senate Committees on Finance, on the overall condition and funding needs of large and unique bridge and tunnel structures in the Commonwealth. As part of the review, the Board shall make recommendations addressing funding of such projects within the State of Good Repair program. In developing these recommendations the Board shall assess the impact of establishing a set aside from the State of Good Repair funding pot, limited use of the provisions of § 33.2-369 B., Code of Virginia, which allows for the waiving of district minimum caps in a single year, or such other options as they might identify.

	Item Details($)			Appro
	First Year FY2019	Second Year FY2020	First Year FY2019	Second FY202
451. Highway System Maintenance and Operations (60400).....			$1,978,877,656	~~$1,992~~ $2,097

Interstate Maintenance (60401).....	$439,078,579	~~$442,264,643~~ $517,030,047
Primary Maintenance (60402).....	$591,903,773	~~$595,965,645~~ $675,195,555
Secondary Maintenance (60403).....	$604,321,956	~~$608,513,522~~ $623,054,003
Transportation Operations Services (60404).....	$266,309,352	~~$268,459,641~~ $221,566,905
Highway Maintenance Operations, Program Management and Direction (60405).....	$77,263,996	~~$77,655,973~~ $60,725,167
Fund Sources: Commonwealth Transportation.....	$1,978,877,656	~~$1,992,859,424~~ $2,097,571,677

A. The department is authorized to enter into agreements with state and local law enforcement officials to facilitate the enforcement of high occupancy vehicle (HOV) restrictions throughout the Commonwealth and metropolitan planning regions.

B. Should federal law be changed to permit privatization of rest area operations, the department is hereby authorized to accept or solicit proposals for their development and/or operation.

C. The Director, Department of Planning and Budget, is authorized to increase the appropriation in this Item as needed to utilize amounts available from prior year balances in the dedicated funds.

D. The Commissioner's annual report pursuant to § 33.2-232, Code of Virginia, shall include an assessment of whether the department has met its secondary road pavement targets, by district and on a statewide basis.

E. Out of the amounts provided in this Item, the department shall increase the share of funding dedicated to the Safety Service Patrol Services by $5,000,000 from nongeneral fund revenues in the second year to expand services across the Commonwealth's Interstate System, with priority given to the Interstate 81 Corridor.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
452. Commonwealth Toll Facilities (60600).....			$80,876,667	~~$91,272,130~~ $85,455,257
Toll Facility Debt Service (60602).....	$3,194,200	$3,190,600		
Toll Facility Maintenance And Operation (60603)...	$41,532,467	~~$51,631,530~~ $45,814,657		
Toll Facilities Revolving Fund (60604).....	$36,150,000	$36,450,000		
Fund Sources: Commonwealth Transportation.....	$74,876,667	~~$85,272,131~~ $78,646,437		
Trust and Agency.....	$6,000,000	~~$5,999,999~~ $6,808,820		

Authority: §§ 33.2-1524 and 33.2-1700 through 33.2-1729, Code of Virginia.

A. Included in this Item are funds for the installation and implementation of a statewide Electronic Toll Customer Service/Violation Enforcement System.

B. It is the intent of the General Assembly that the toll revenues, and any bond proceeds or concession payments backed by such toll revenues, derived from the express lanes on Interstate 64 between the interchange of Interstate 64 with Interstate 664 and the interchange of Interstate 64 with Interstate 564 be used to reduce the necessary contribution from the Hampton Roads Transportation Accountability Commission established pursuant Chapter 26 of Title 33.2, Code of Virginia, for a project to expand the capacity of Interstate 64 between the interchange of Interstate 64 with Interstate 664 and the interchange of Interstate 64 with Interstate 564.

	Item Details($)		Appropriation	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
453. Financial Assistance to Localities for Ground Transportation (60700).....			$1,079,779,699	~~$1,074,659,61~~ $1,095,669,24
Financial Assistance for City Road Maintenance (60701).....	$386,532,142	~~$385,407,026~~ $387,661,833		
Financial Assistance for County Road Maintenance (60702).....	$69,295,633	~~$69,468,919~~ $69,360,034		
Financial Assistance for Planning, Access Roads, and Special Projects (60704).....	$15,551,924	~~$15,383,667~~ $15,747,373		
Distribution of Northern Virginia Transportation Authority Fund Revenues (60706).....	$280,400,000	~~$272,600,000~~ $283,400,000		
Distribution of Hampton Roads Transportation Fund Revenues (60707).....	$191,100,000	~~$194,000,000~~ $201,700,000		
Distribution of Washington Metropolitan Area Transit Authority Capital Fund Revenues (60708)...	$127,400,000	$128,200,000		
Distribution of Certain Taxes to Certain Localities in Planning District 8 (60709).....	$9,500,000	$9,600,000		
Fund Sources: Commonwealth Transportation.....	$471,379,699	~~$470,259,612~~ $472,769,240		

Dedicated Special Revenue.....	$608,400,000	~~$604,400,000~~ $622,900,000

Authority: Title 33.2, Chapter 1, Code of Virginia.

A. Out of the amounts for Financial Assistance for Planning, Access Road, and Special Projects, $7,000,000 the first year and $7,000,000 the second year from the Commonwealth Transportation Fund shall be allocated for purposes set forth in §§ 33.2-1509, 33.2-1600, and 33.2-1510, Code of Virginia. Of this amount, the allocation for Recreational Access Roads shall be $1,500,000 the first year and $1,500,000 the second year. It is the intent of the General Assembly that up to $250,000 of the funds allocated by the Commonwealth Transportation Board for Recreational Access Roads in this Item shall be prioritized for handicapped accessibility improvements at Virginia State Parks, including improvements to handicapped access points and parking facility enhancements as may be requested by the Department of Conservation and Recreation.

B. Distribution of Northern Virginia Transportation Authority Fund Revenues represents direct payments, of the revenue collected and deposited into the Fund, to the Northern Virginia Transportation Authority for uses contained in Chapter 766, 2013 Acts of Assembly. Notwithstanding any other provision of law, moneys deposited into the Hampton Roads Transportation Fund shall be transferred to the Hampton Roads Transportation Accountability Commission for use in accordance with § 33.2-2611, Code of Virginia.

C. The prioritization process developed under § 33.2-214.1, Code of Virginia, shall not apply to use of funds provided in this Item from federal apportionments in the Metropolitan Planning Program.

D. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may provide the Department of Transportation interest-free treasury loans in an amount not to exceed $1,700,000 per year which may be extended for a period longer than twelve months. The loan amounts would be provided to the City of Portsmouth to offset losses in personal property tax collections generated by the City due to the transfer of personal property from the Virginia International Gateway to the Commonwealth. The specific terms and structure of any loan shall be approved by the Secretary of Finance, after consultation with the Chairmen of the House Appropriations and Senate Finance Committees, or their designees. A treasury loan for this purpose shall be considered as bridge financing until the planned expansion of the Virginia International Gateway Facility commences and additional equipment is purchased which will generate personal property taxes that the City of Portsmouth shall use to repay the loan. To the extent the loan is not repaid as required by the specific terms of the loan, the Department of Transportation is directed to withhold the payment amount due from funds provided to the City of Portsmouth pursuant to § 33.2-319, Code of Virginia, to repay the loan.

E. Distribution of Washington Metropolitan Area Transit Authority Capital Fund Revenues represents direct payments, of the revenue collected and deposited into the Fund, to the Washington Metropolitan Area Transit Authority for uses pursuant to Chapter 34 of Title 33.2, Code of Virginia.

F. Consistent with § 33.2-366, Code of Virginia, the Commonwealth Transportation Board, when establishing annual rates of payments to Counties that have elected to withdraw from the secondary highway system, shall adjust such rate annually with i) procedures established for adjusting payments to cities, and ii) lane mileage adjustments. It is the express intent of the General Assembly, that under no circumstance shall the addition of lane miles to one jurisdiction result in the direct or indirect reduction in the calculation of payment to any other jurisdiction receiving payment from funds appropriated for Financial Assistance for County Road Maintenance (60702).

	Item Details($)		Appropriati	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Yea FY2020
454. Non-Toll Supported Transportation Debt Service (61200).....			$369,469,786	~~$384,933,11(~~ $381,401,09
Highway Transportation Improvement District Debt Service (61201).....	$8,639,519	$8,639,519		
Designated Highway Corridor Debt Service (61202)..	$55,935,686	~~$64,321,062~~ $56,821,062		
Commonwealth Transportation Capital Projects Bond Act Debt Service (61204).....	$187,706,263	~~$188,168,113~~ $192,136,098		
Federal Transportation Grant Anticipation Revenue Notes Debt Service (61205).....	$117,188,318	$123,804,416		
Fund Sources: General.....	$40,000,000	$40,000,000		
Commonwealth Transportation.....	$117,188,318	$123,804,416		
Trust and Agency.....	$204,649,770	~~$213,496,996~~ $209,964,981		
Federal Trust.....	$7,631,698	$7,631,698		

Authority: Titles 15.2, 33.2, and 58.1 of the Code of Virginia; Chapters 827 and 914, Acts of Assembly of 1990; Chapters 233 and 662, Acts of Assembly of 1994; Chapter 8, as amended by Chapter 538, Acts of Assembly of 1999; Chapters 1019 and 1044, Acts of Assembly of 2000; Chapter 799, Acts of Assembly of 2002; Chapter 896, Acts of Assembly of 2007; and Chapters 830 and 868, Acts of Assembly of 2011

A.1. The amount shown for Highway Transportation Improvement District Construction shall be derived from payments made to the Transportation Trust Fund pursuant to the Contract between the State Route 28 Highway Transportation Improvement District and the Commonwealth Transportation Board dated September 1, 1988 as amended by the Amended and Restated District Contract by and among the Commonwealth Transportation Board, the Fairfax County Economic Development Authority and the State Route 28 Highway Transportation Improvement District Commission (the "District Commission") dated August 30, 2002, and May 1, 2012 (the "District Contract").

2. There is hereby appropriated for payment immediately upon receipt to a third party approved by the Commonwealth Transportation Board, or a bond trustee selected by such third party, a sum sufficient equal to the special tax revenues collected by the Counties of Fairfax and Loudoun within the State Route 28 Highway Transportation Improvement District and paid to the Commonwealth Transportation Board by or on behalf of the District Commission (the "contract payments") pursuant to § 15.2-4600 et seq., Code of Virginia, and the District Contract between the Commonwealth Transportation Board and the District Commission.

3. The contract payments may be supplemented from the Construction District Grant Program pursuant to § 33.2-371 allocated to the highway construction district in which the project financed is located, or any other lawfully available revenues of the Transportation Trust Fund, as may be necessary to meet debt service obligations. The payment of debt service shall be for the bonds (the Series 2012

Bonds) issued under the "Commonwealth of Virginia Transportation Contract Revenue Bond Act of 1988" (Chapters 653 and 676, Acts of Assembly of 1988 as amended by Chapters 827 and 914 of the Acts of Assembly of 1990). Funds required to pay the total debt service on the Series 2012 Bonds shall be made available in the amounts indicated in paragraph E of this Item.

B.1. Out of the amounts for Designated Highway Corridor Construction, $40,000,000 the first year and $40,000,000 the second year from the general fund shall be paid to the U.S. Route 58 Corridor Development Fund, hereinafter referred to as the "Fund", established pursuant to § 33.2-2300, Code of Virginia. This payment shall be in lieu of the deposit of state recordation taxes to the Fund, as specified in the cited Code section. Said recordation taxes which would otherwise be deposited to the Fund shall be retained by the general fund. Additional appropriations required for the U.S. Route 58 Corridor Development Fund, an amount estimated at $9,000,000 the first year and $20,000,000 the second year shall be transferred from the highway share of the Transportation Trust Fund.

2. Pursuant to the "U.S. Route 58 Commonwealth of Virginia Transportation Revenue Bond Act of 1989" (as amended by Chapter 538 of the 1999 Acts of Assembly and Chapter 296 of the 2013 Acts of Assembly), the amounts shown in paragraph E of this Item shall be available from the Fund for debt service for the bonds previously issued and additional bonds issued pursuant to said act.

C.1. The Commonwealth Transportation Board shall maintain the Northern Virginia Transportation District Fund, hereinafter referred to as the "Fund." Pursuant to § 33.2-2400, Code of Virginia, and for so long as the Fund is required to support the issuance of bonds, the Fund shall include at least the following elements:

a. Amounts transferred from Item 264 of this act to this item.

b. Any public right-of-way use fees allocated by the Department of Transportation pursuant to § 56-468.1 of the Code of Virginia and attributable to the counties of Fairfax, Loudoun, and Prince William, the amounts estimated at $5,315,304 the first year and $5,315,304 the second year.

c. Any amounts which may be deposited into the Fund pursuant to a contract between the Commonwealth Transportation Board and a jurisdiction or jurisdictions participating in the Northern Virginia Transportation District Program, the amounts estimated to be $816,000 the first year and $816,000 the second year.

2. The Fund shall support the issuance of bonds at a total authorized level of $500,200,000 for the purposes provided in the "Northern Virginia Transportation District, Commonwealth of Virginia Revenue Bond Act of 1993," Chapter 391, Acts of Assembly of 1993 as amended by Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts of Assembly, and Chapter 621 of the 2005 Acts of Assembly.

3. Pursuant to the Northern Virginia Transportation District, Commonwealth of Virginia Revenue Bond Act of 1993, Chapter 391, Acts of Assembly of 1993, and as amended by Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts of Assembly, and Chapter 621 of the 2005 Acts of Assembly, amounts shown in paragraph E of this Item shall be available from the Fund for debt service for the bonds previously issued and additional bonds issued pursuant to said act.

4. Should the actual distribution of recordation taxes to the localities set forth in § 33.2-2400, Code of Virginia, exceed the amount required for debt service on the bonds issued pursuant to the above act, such excess amount shall be transferred to the Northern Virginia Transportation District Fund in furtherance of the program described in § 33.2-2401, Code of Virginia.

5. Should the actual distribution of recordation taxes to said localities be less than the amount required to pay debt service on the bonds, the Commonwealth Transportation Board is authorized to meet such deficiency, to the extent required, from funds identified in Enactment No. 1, Section 11, of Chapter 391, Acts of Assembly of 1993.

D.1. The Commonwealth Transportation Board shall maintain the City of Chesapeake account of the Set-aside Fund, pursuant to § 58.1-816.1, Code of Virginia, which shall include funds transferred from Item 264 of this act to this Item, and an amount estimated at $1,000,000 the first year and $1,000,000 the second year received from the City of Chesapeake pursuant to a contract or other alternative mechanism for the purpose provided in the "Oak Grove Connector, City of Chesapeake Commonwealth of Virginia Transportation Program Revenue Bond Act of 1994," Chapters 233 and 662, Acts of Assembly of 1994 (hereafter referred to as the "Oak Grove Connector Act").

2. The amounts shown in paragraph E of this Item shall be available from the City of Chesapeake account of the Set-aside Fund for debt service for the bonds issued pursuant to the Oak Grove Connector Act.

3. Should the actual distribution of recordation taxes and such local revenues from the City of Chesapeake as may be received pursuant to a contract or other alternative mechanism to the City of Chesapeake account of the Set-aside Fund be less than the amount required to pay debt service on the bonds, the Commonwealth Transportation Board is authorized to meet such deficiency, pursuant to Enactment No. 1, Section 11 of the Oak Grove Connector Act.

E. Pursuant to various Payment Agreements between the Treasury Board and the Commonwealth Transportation Board, funds required to pay the debt service due on the following Commonwealth Transportation Board bonds shall be transferred to the Treasury Board as follows:

	FY 2019	**FY 2020**
Transportation Contract Revenue Refund Bonds, Series 2012 (Refunding Route 28)	$8,639,519	$8,639,519
Commonwealth of Virginia Transportation Revenue Bonds: U.S. Route 58 Corridor Development Program:		
Series 2014B (Refunding)	$24,142,000	$24,139,500
Series 2016C (Refunding)	$2,592,750	$2,592,750
Series 2017C (Refunding)	$14,290,500	
Northern Virginia Transportation District Program:		
Series 2009A-2	$5,378,653	$5,336,803
Series 2012A (Refunding)	$9,790,538	$2,559,038
Series 2014A (Refunding)	$9,640,250	$9,645,000
Series 2016B (Refunding)	$2,358,750	$463,500
Series 2017B (Refunding)	$4,408,000	$4,368,000
Transportation Program Revenue Bonds:		
Series 2016A (Oak Grove Connector, City of Chesapeake)	$1,992,750	$1,990,750
Capital Projects Revenue Bonds:		
Series 2010 A-2	$35,882,155	$35,660,925

Series 2011	$21,097,750	$21,096,500
Series 2012	$29,163,800	$29,161,550
Series 2014	$18,226,700	$18,224,700
Series 2016	$16,797,000	$16,799,250
Series 2017	$16,524,688	$16,525,938
Series 2017A	$30,408,400	$30,408,400
Series 2018	$9,201,301	$9,197,600

F. Out of the amounts provided for in this Item, an estimated $115,469,133 the first year and $123,804,416 the second year from federal reimbursements shall be provided for debt service payments on the Federal Transportation Grant Anticipation Revenue Notes.

G. Out of the amounts provided for this Item, an estimated $177,301,793 the first year and $188,168,113 the second year from the Priority Transportation Fund shall be provided for debt service payments on the Commonwealth Transportation Capital Projects Revenue Bonds. Any additional amounts needed to offset the debt service payment requirements attributable to the issuance of the Capital Projects Revenue Bonds shall be provided from the Transportation Trust Fund.

H. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the applicable provisions of the Transportation Development and Revenue Bond Act (§ 33.2-1700 et seq., Code of Virginia) as amended from time to time, revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series XXXX" at one or more times in an aggregate principal amount not to exceed $180,000,000, after all costs. The net proceeds of the bonds shall be used exclusively for the purpose of providing funds for paying the costs incurred or to be incurred for construction or funding of transportation projects set forth in Item 449.10 of Chapter 847 of the Acts of Assembly of 2007, including but not limited to environmental and engineering studies; rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction and related improvements; and any financing costs and other financing expenses. Such costs may include the payment of interest on the bonds for a period during construction and not exceeding one year after completion of construction of the projects. Notwithstanding the provisions of Item 449.10 of Chapter 847 of the acts of Assembly 2007, any remaining funding may be used for the purposes set forth in subsection G of Item 453 of Chapter 665, 2015 Acts of Assembly.

	Item Details($)		Appropriati
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Yea FY2020
455. Administrative and Support Services (69900).....			$279,817,017	~~$294,076,19~~ $297,615,02
General Management and Direction (69901).....	$147,188,104	~~$150,993,064~~ $153,080,183		
Information Technology Services (69902).....	$96,813,415	~~$107,964,794~~ $110,952,111		
Facilities and Grounds Management Services (69915).....	$17,169,363	~~$17,653,302~~ $17,645,600		
Employee Training and Development (69924).....	$18,646,135	~~$17,465,039~~ $15,937,126		
Fund Sources: Commonwealth Transportation.....	$279,817,017	~~$294,076,199~~ $297,615,020		

Authority: Title 33.2, Code of Virginia.

A. Notwithstanding any other provision of law, the highway share of the Transportation Trust Fund shall be used for highway maintenance and operation purposes prior to its availability for new development, acquisition, and construction.

B. Administrative and Support Services shall include funding for management, direction, and administration to support the department's activities that cannot be directly attributable to individual programs and/or projects.

C. Out of the amounts for General Management and Direction, allocations shall be provided to the Commonwealth Transportation Board to support its operations, the payment of financial advisory and legal services, and the management of the Transportation Trust Fund.

D. Notwithstanding any other provision of law, the department may assess and collect the costs of providing services to other entities, public and private. The department shall take all actions necessary to ensure that all such costs are reasonable and appropriate, recovered, and understood as a condition to providing such service.

E. Each year, as part of the six-year financial planning process, the commissioner shall implement a long-term business strategy that considers appropriate staffing levels for the department. In addition, the commissioner shall identify services, programs, or projects that will be evaluated for devolution or outsourcing in the upcoming year. In undertaking such evaluations, the commissioner is authorized to use the appropriate resources, both public and private, to competitively procure those identified services, programs, or projects and shall identify total costs for such activities.

F. Notwithstanding § 4-2.03 of this act, the Virginia Department of Transportation shall be exempt from recovering statewide and agency indirect costs from the Federal Highway Administration until an indirect cost plan can be evaluated and developed by the agency and approved by the Federal Highway Administration.

G. The Director, Department of Planning and Budget, is authorized to adjust appropriations and allotments for the Virginia Department of Transportation to reflect changes in the official revenue estimates for commonwealth transportation funds.

H. Out of the amounts for General Management and Direction, allocations shall be provided to support the capital lease agreement with Fairfax County for the Northern Virginia District building. An amount estimated at $7,800,000 the first year and $7,800,000 the second year from Commonwealth Transportation Funds shall be provided.

I. Notwithstanding any other provisions of law, the Commonwealth Transportation Commissioner may enter into a contract with homeowner associations for grounds-keeping, mowing, and litter removal services.

J. Notwithstanding the provisions § 2.2-2402 of the Code of Virginia, no construction, erection, repair, upgrade, removal or demolition of any building, fixture or structure located or to be located on property of the Commonwealth of Virginia under the control of

the Virginia Department of Transportation (VDOT) and within the secured area of a residency, area headquarters or district complex shall be subject to review or approval by the Art and Architectural Review Board as contemplated by that section. However, for changes to any building or fixture located on property owned or controlled by VDOT that has been designated or is under consideration for designation as a historic property, then VDOT shall submit such changes to the Art and Architectural Review Board for review and approval by the Board.

K. The Virginia Department of Transportation is authorized to convey a 25-foot wide strip of land containing approximately 0.1923 acre located along the southeastern boundary of its original Callaway Area Headquarters parcel, Tax Map Parcel #0580004200, to Earl E. Bowman, Jr. and Elizabeth H. Bowman, husband and wife, in return for the termination of an existing easement in favor of the Bowmans across certain property of the Commonwealth, as shown in those certain deeds and plats recorded at Deed Book 1114, Page 1622 and Deed Book 1114, Page 1630 in the Clerk's Office of the Circuit Court of Franklin County, Virginia, and the conveyance from the Bowmans of a parcel of land containing approximately 0.3582 acres located adjacent to and northwest of VDOT's original parcel, all as shown on a plat to be agreed to between the Parties. The appraised value of the land to be acquired by VDOT shall be equal to or greater than the value of the land to be transferred from VDOT. The exact property to be conveyed as consideration for this transaction is subject to change or adjustment provided that all parties agree, the requirements for value and form are met, and the appropriate approvals are obtained. The conveyances shall be made with the recommendation of the Department of General Services, the approval of the Governor and shall be 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.

L. 1. At such time as the Virginia Department of Transportation (VDOT) determines that the VDOT Residency office, on five acres, at 626 Waddell Street, in the City of Lexingon is no longer required for VDOT's purposes, it shall offer to transfer the property to the City of Lexington prior to offering the property for transfer or sale to any other public or private agency or entity or individual, on such terms and conditions as provided below.

2. The Virginia Department of Transportation and the City of Lexington shall each obtain a separate appraisal of the property, each performed by an appraiser licensed by the Commonwealth of Virginia as Certified General Real Property Appraisers, who must meet the competency provisions of the Uniform Standards of Professional Appraisal Practice.

3. VDOT shall offer the property to the City of Lexington at a value which shall be determined by averaging the values from the two appraisals obtained in L.2. above. Any other conditions of the transfer shall be based on usual and customary terms for such intergovernmental transfers.

4. If the Virginia Department of Transportation and the City of Lexington cannot agree on the terms of the transfer of the property, VDOT may transfer or sell the property to any other public or private agency or entity or individual on such terms as it determines are in the best interest of the Virginia Department of Transportation, however it will present those terms to the City of Lexington for its consideration prior to finalizing any transfer or sale to any other party.

	Item Details($)		Appropriations($	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
456. Not set out.				
Total for Department of Transportation.....			**$6,795,395,381**	~~**$6,382,181,734**~~ **$7,265,463,560**
Nongeneral Fund Positions.....	7,735.00	7,735.00		
Position Level.....	7,735.00	7,735.00		
Fund Sources: General.....	$40,000,000	$40,000,000		
Commonwealth Transportation.....	$5,709,320,669	~~$5,173,438,456~~ $6,033,443,476		
Trust and Agency.....	$430,043,014	~~$556,711,580~~ $561,488,386		
Dedicated Special Revenue.....	$608,400,000	~~$604,400,000~~ $622,900,000		
Federal Trust.....	$7,631,698	$7,631,698		
457. Not set out.				
458. Not set out.				
459. Not set out.				
460. Not set out.				
461. Not set out.				
462. Not set out.				
TOTAL FOR OFFICE OF TRANSPORTATION			$8,139,527,863	~~$7,730,887,266~~ $8,614,169,092
Nongeneral Fund Positions.....	10,180.00	~~10,183.00~~ 10,283.00		
Position Level.....	10,180.00	~~10,183.00~~ 10,283.00		
Fund Sources: General.....	$41,030,246	$41,030,246		
Special.....	$174,788,630	$179,641,216		
Commonwealth Transportation.....	$6,679,463,322	~~$6,141,101,573~~ $7,001,106,593		
Trust and Agency.....	$440,989,614	~~$567,658,180~~ $572,434,986		
Dedicated Special Revenue.....	$759,900,000	~~$758,100,000~~ $776,600,000		
Federal Trust.....	$43,356,051	$43,356,051		

463. Not set out.
464. Not set out.
465. Not set out.
466. Not set out.
467. Not set out.
468. Not set out.
469. Not set out.
470. Not set out.

TOTAL FOR OFFICE OF VETERANS AND DEFENSE AFFAIRS.....			**$87,838,961**	**$103,970,772**
General Fund Positions.....	216.00	238.00		
Nongeneral Fund Positions.....	627.00	867.00		
Position Level.....	843.00	1,105.00		
Fund Sources: General.....	$22,247,486	$23,082,190		
Special.....	$34,312,776	$46,309,402		
Trust and Agency.....	$0	$2,500,000		
Dedicated Special Revenue.....	$1,593,000	$1,593,000		
Federal Trust.....	$29,685,699	$30,486,180		

CENTRAL APPROPRIATIONS

§ 1-32. CENTRAL APPROPRIATIONS (995)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
471. Not set out.				
472. Not set out.				
473. Not set out.				
474. Compensation and Benefit Adjustments (75700)			$44,908,273	$187,164,033
Adjustments to Employee Compensation (75701)	$14,134,815	$202,847,512		
Adjustments to Employee Benefits (75702).....	$30,773,458	($15,683,479)		
Fund Sources: General.....	$44,908,273	$187,164,033		

Authority: Discretionary Inclusion.

A. Transfers to or from this Item may be made to decrease or supplement general fund appropriations to state agencies for:

1. Adjustments to base rates of pay;

2. Adjustments to rates of pay for budgeted overtime of salaried employees;

3. Salary changes for positions with salaries listed elsewhere in this act;

4. Salary changes for locally elected constitutional officers and their employees;

5. Employer costs of employee benefit programs when required by salary-based pay adjustments;

6. Salary changes for local employees supported by the Commonwealth, other than those funded through appropriations to the Department of Education; and

7. Adjustments to the cost of employee benefits to include but not be limited to health insurance premiums and retirement and related contribution rates.

B. Transfers from this Item may be made when appropriations to the state agencies concerned are insufficient for the purposes stated in paragraph A of this Item, as determined by the Department of Planning and Budget, and subject to guidelines prescribed by the department. Further, the Department of Planning and Budget may transfer appropriations within this Item from the second year of the biennium to the first year, when necessary to accomplish the purposes stated in paragraph A of this Item.

C. Except as provided for elsewhere in this Item, agencies supported in whole or in part by nongeneral fund sources, shall pay the proportionate share of changes in salaries and benefits as required by this Item, subject to the rules and regulations prescribed by the appointing or governing authority of such agencies. Nongeneral fund revenues and balances required for this purpose are hereby appropriated.

D. Any supplemental salary payment to a state employee or class of state employees by a local governing body shall be governed by a written agreement between the agency head of the employee or class of employees receiving the supplement and the chief executive officer of the local governing body. Such agreement shall also be reviewed and approved by the Director of the State Department of Human Resource Management. At a minimum, the agreement shall specify the percent of state salary or fixed amount of the supplement, the resultant total salary of the employee or class of employees, the frequency and method of payment to the agency of the supplement, and whether or not such supplement shall be included in the employee's state benefit calculations. A copy of the

agreement shall be made available annually to all employees receiving the supplement. The receipt of a local salary supplement shall not subject employees to any personnel or payroll rules and practices other than those promulgated by the State Department of Human Resource Management.

E. The Governor is hereby authorized to transfer funds from agency appropriations to the accounts of participating state employees in such amounts as may be necessary to match the contributions of the qualified participating employees, consistent with the requirements of the Code of Virginia governing the deferred compensation cash match program. Such transfers shall be made consistent with the following:

1. The maximum cash match provided to eligible employees shall not be less than $20.00 per pay period, or $40.00 per month, in each year of the biennium. The Governor may direct the agencies of the Commonwealth to utilize funds contained within their existing appropriations to meet these requirements.

2. The Governor may direct agencies supported in whole or in part with nongeneral funds to utilize existing agency appropriations to meet these requirements. Such nongeneral revenues and balances are hereby appropriated for this purpose, subject to the provisions of § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any existing conditions and restrictions otherwise placed upon such nongeneral funds.

3. The procurement of services related to the implementation of this program shall be governed by standards set forth in § 51.1124.30 C, Code of Virginia, and shall not be subject to the provisions of Chapter 7 (§ 11-35 et seq.), Title 11, Code of Virginia.

F. The Secretary of Administration, in conjunction with the Secretary of Finance, may establish a program that allows for the sharing of cost savings from improved productivity, efficiency, and performance with agencies and employees. Such gain sharing programs require a management philosophy of open communication encouraging employee participation; a system which seeks, evaluates and implements employee input on increasing productivity; and a formula for measuring productivity gains and sharing these gains between employees and the agency. The Department of Human Resource Management, in conjunction with the Department of Planning and Budget, shall develop specific gain sharing program guidelines for use by agencies. The Department of Human Resource Management shall provide to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees an annual report no later than October 1 of each year detailing identified savings and their usage.

G.1. Out of the appropriation for this Item, amounts estimated at $33,650,659 the first year and $33,272,027 the second year from the general fund shall be transferred to state agencies and institutions of higher education to support the general fund portion of costs associated with changes in the employer's share of premiums paid for the Commonwealth's health benefit plans.

2. Notwithstanding any contrary provision of law, the health benefit plans for state employees resulting from the additional funding in this Item shall allow for a portion of employee medical premiums to be charged to employees.

3. The Department of Human Resource Management shall explore options within the health insurance plan for state employees to promote value-based health choices aimed at creating greater employee satisfaction with lower overall health care costs. It is the General Assembly's intent that any savings associated with this employee health care initiative be retained and used towards funding state employee salary or fringe benefit cost increases.

4. Notwithstanding any other provision of law, it shall be the sole responsibility and authority of the Department of Human Resource Management to establish and enforce employer contribution rates for any health insurance plan established pursuant to §2.2-2818, Code of Virginia.

5. The Department of Human Resource Management is prohibited from establishing a retail maintenance network for maintenance drugs that includes penalties for non-use of the retail maintenance network.

6. The Department of Human Resource Management shall not increase the annual out-of-pocket maximum included in the plans above the limits in effect for the plan year which began on July 1, 2014.

7. The Department of Human Resource Management shall include language in all contracts, signed on or after July 1, 2018, with third party administrators of the state employee health plan requiring the third party administrators to: 1) maintain policies and procedures for transparency in their pharmacy benefit administration programs; 2) transparently provide information to state employees through an explanation of benefits regarding the cost of drug reimbursement; dispensing fees; copayments; coinsurance; the amount paid to the dispensing pharmacy for the claim; the amount charged to the third party administrator for the claim by the third party administrator's pharmacy benefit manager; and the amount charged by the third party administrator to the Commonwealth; and 3) provide a report to the Department of Human Resource Management of the aggregate difference in amounts between reimbursements made to pharmacies for claims covered by the state employee insurance plan, the amount charged to the third party administrator for the claim by the third party administrator's pharmacy benefit manager, and the amount charged by the third party administrator to the Commonwealth as well as an explanation for any difference. The department shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on its implementation of this item by October 1, 2018.

8. Notwithstanding the provisions of § 38.2-3418.17 and any other provision of law, effective October 1, 2018, the Department of Human Resource Management shall provide coverage under the state employee health insurance program for the treatment of autism spectrum disorder through the age of eighteen.

9. In addition to the amounts cited in paragraph G.1 of this item, $992,222 the first year from the general fund shall be provided for the Department of Human Resource Management for the repayment of costs incurred pursuant to the proposal to establish an optional statewide local employee health insurance program.

H.1. Contribution rates paid to the Virginia Retirement System for the retirement benefits of public school teachers, state employees, state police officers, state judges, and state law enforcement officers eligible for the Virginia Law Officers Retirement System shall be based on a valuation of retirement assets and liabilities that are consistent with the provisions of Chapters 701 and 823, Acts of Assembly of 2012.

2. Retirement contribution rates, excluding the five percent employee portion, shall be as set out below and include both the regular contribution rate and for the public school teacher plan the rate calculated by the Virginia Retirement System actuary for the 10-year payback of the retirement contribution payments deferred for the 2010-12 biennium:

	FY 2019	**FY 2020**
Public school teachers	15.68%	15.68%
State employees	13.52%	13.52%
State Police Officers' Retirement System	24.88%	24.88%
Virginia Law Officers' Retirement System	21.61%	21.61%
Judicial Retirement System	34.39%	34.39%

3. Payments of all required contributions and insurance premiums to the Virginia Retirement System and its third-party administrators, as applicable, shall be made no later than the tenth day following the close of each month of the fiscal year.

4. The Director of Department of Planning and Budget shall withhold and transfer to this Item, amounts estimated at $6,539,646 the first year and $6,823,946 the second year, from the general fund appropriations of state agencies and institutions of higher education, representing the net savings resulting from the changes in employer contributions for state employee retirement as provided for in this paragraph.

5. The funding necessary to support the cost of reimbursements to Constitutional Officers for retirement contributions are appropriated elsewhere in this act under the Compensation Board.

6. The funding necessary to support the cost of the employer retirement contribution rate for public school teachers is appropriated elsewhere in this act under Direct Aid to Public Education.

1.1. Except as authorized in Paragraph 1.2. of this Item, rates paid to the Virginia Retirement System on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions shall be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to § 51.1145(1), Code of Virginia.

2. Rates paid to the VRS on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions shall be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to § 51.1-145(1), Code of Virginia, unless the participating employer notifies VRS that it has opted to base the employer contribution rate on the higher of: a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium, eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium, ninety percent of the results of the June 30, 2015 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2016-18 biennium, and one-hundred percent of the results of the June 30, 2017 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2018-20 biennium.

3. Every participating employer that opts not to use the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to § 51.1-145(1), Code of Virginia, must certify to the board of the Virginia Retirement System by resolution adopted by its local governing body that it: has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of electing or not electing to utilize the employer contribution rates certified by the Virginia Retirement System Board of Trustees, as provided for in paragraph 1.1.

4. Local public school divisions must receive the concurrence of the local governing body if electing to pay the alternate contribution rate set out in paragraph 1.2. Such concurrence must be documented by a resolution of the governing body.

5. The board of the Virginia Retirement System shall provide all employers participating in the Virginia Retirement System with a summary of the implications inherent in the use of the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees set out in paragraph 1.1, and the alternate employer contribution rates set out in paragraph 1.2.

J. The Virginia Retirement System Board of Trustees shall account for the employer retirement contribution payments for the public school teacher plan deferred for the 2010-2012 biennium based on limiting employer retirement contributions to the Virginia Retirement System to the actuarial normal cost. In setting the employer retirement contribution rates for the public school teacher plan for subsequent biennia, the board shall calculate a separate, supplemental employer contribution rate that will amortize such deferred payments over a period of ten years using the board's assumed long-term rate of return. The Governor shall include funds to support payment of the approved state portion of such board-approved, supplemental employer contribution rates for the public school teacher plan in the budget submitted to the General Assembly.

K.1. Contribution rates paid to the Virginia Retirement System for other employee benefits to include the public employee group life insurance program, the Virginia Sickness and Disability Program, the state employee retiree health insurance credit, and the public school teacher retiree health insurance credit, shall be based on a valuation of assets and liabilities that assume an investment return of seven percent and an amortization period of 30 years.

2. Contribution rates paid on behalf of public employees for other programs administered by the Virginia Retirement System shall be:

	FY 2019	**FY 2020**
State employee retiree health insurance credit	1.17%	1.17%
Public school teacher retiree health insurance credit	1.20%	1.20%
State employee group life insurance program	1.31%	1.31%
Employer share of the public school teacher group life insurance program	0.52%	0.52%
Virginia Sickness and Disability Program	0.62%	0.62%

3. Funding for the Virginia Sickness and Disability Program is calculated on a rate of 0.53 percent of total payroll.

4. The Director of Department of Planning and Budget shall withhold and transfer to this Item amounts estimated at $676,148 the first year and $705,521 the second year, from the general fund appropriations of state agencies and institutions of higher education, representing the net savings resulting from changes in employer contributions for state employee benefits as provided for in this paragraph.

5. The funding necessary to support the cost of reimbursements to Constitutional Officers for public employee group life insurance contributions is appropriated elsewhere in this act under the Compensation Board.

6. The funding necessary to support the cost of the employer public school teacher group life insurance and retiree health insurance credit rates is appropriated elsewhere in this act under Direct Aid to Public Education.

L.1. The retiree health insurance credit contribution rates for the following groups of state supported local public employees shall be: 0.38 percent for constitutional officers and employees of constitutional officers 0.43 percent for employees of local social services boards, and 0.39 percent for General Registrars and employees of General Registrars.

2. Out of the general fund appropriation for this Item is included $317,863 the first year and $317,863 the second year to support the general fund portion of the net costs resulting from changes in the retiree health insurance credit contribution rates for state supported local public employees through the Compensation Board, the Department of Social Services, and the Department of Elections pursuant to § 51.1-1403, Code of Virginia.

M.1. Notwithstanding the provisions of § 2.23205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § 2.23204(A), Code of Virginia for employees who are involuntarily separated from employment with the Commonwealth if the Director of the Department of Planning and Budget certifies that such action results from 1. budget reductions enacted in the Appropriation Act, 2. budget reductions executed in response to the withholding of appropriations by the Governor pursuant to §4-1.02 of the Act, 3. reorganization or reform actions taken by state agencies to increase efficiency of operations or improve service delivery provided such actions have been previously approved by the Governor, or 4. downsizing actions taken by state agencies as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue, and if the Director of the Department of Human Resource Management certifies that the action comports with personnel policy. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

2. Notwithstanding the provisions of § 2.23205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § 2.23204(A), Code of Virginia, for employees who are involuntarily separated from employment with the Commonwealth if the Speaker of the House of Delegates and the Chairman of the Senate Committee on Rules have certified on or after July 1, 2016, that such action results from 1. budget reductions enacted in the Appropriation Act pertaining to the Legislative Department; 2. reorganization or reform actions taken by agencies in the legislative branch of state government to increase efficiency of operations or improve service delivery provided such actions have been approved by the Speaker of the House of Delegates and the Chairman of the Senate Committee on Rules; or 3. downsizing actions taken by agencies in the legislative branch of state government as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue and if the applicable agency certifies that the actions comport with the provisions of and related policies associated with the Workforce Transition Act. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

N. The purpose of this paragraph is to provide a transitional severance benefit, under the conditions specified, to eligible city, county, school division or other political subdivision employees who are involuntarily separated from employment with their employer.

1.a. "Involuntary separation" includes, but is not limited to, terminations and layoffs from employment with the employer, or being placed on leave without pay-layoff or equivalent status, due to budget reductions, employer reorganizations, workforce downsizings, or other causes not related to the job performance or misconduct of the employee, but shall not include voluntary resignations. As used in this paragraph, a "terminated employee" shall mean an employee who is involuntarily separated from employment with his employer.

b. The governing authority of a city, county, school division or other political subdivision electing to cover its employees under the provisions of this paragraph shall adopt a resolution, as prescribed by the Board of Trustees of the Virginia Retirement System, to that effect. An election by a school division shall be evidenced by a resolution approved by the Board of such school division and its local governing authority.

2.a. Any (i) "eligible employee" as defined in § 51.1-132, (ii) "teacher" as defined in § 51.1-124.3, and (iii) any "local officer" as defined in § 51.1.124.3 except for the treasurer, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, or sheriff of any county or city, and (a) for whom reemployment with his employer is not possible because there is no available position for which the employee is qualified or the position offered to the employee requires relocation or a reduction in salary and (b) whose involuntary separation was due to causes other than job performance or misconduct, shall be eligible, under the conditions specified, for the transitional severance benefit conferred by this paragraph. The date of involuntary separation shall mean the date an employee was terminated from employment or placed on leave without pay-layoff or equivalent status.

b. Eligibility shall commence on the date of involuntary separation.

3.a. On his date of involuntary separation, an eligible employee with (i) two years' service or less to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary; (ii) three years through and including nine years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary plus one additional week of salary for every year of service over two years; (iii) ten years through and including fourteen years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to twelve weeks of salary plus two additional weeks of salary for every year of service over nine years; or (iv) fifteen years or more of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to two weeks of salary for every year of service, not to exceed thirty-six weeks of salary.

b. Transitional severance benefits shall be computed by the terminating employer's payroll department. Partial years of service shall be rounded up to the next highest year of service.

c. Transitional severance benefits shall be paid by the employer in the same manner as normal salary. In accordance with § 60.2-229, transitional severance benefits shall be allocated to the date of involuntary separation. The right of any employee who receives a transitional severance benefit to also receive unemployment compensation pursuant to § 60.2-100 et seq. shall not be denied, abridged, or modified in any way due to receipt of the transitional severance benefit; however, any employee who is entitled to unemployment compensation shall have his transitional severance benefit reduced by the amount of such unemployment compensation. Any offset to a terminated employee's transitional severance benefit due to reductions for unemployment compensation shall be paid in one lump sum at the time the last transitional severance benefit payment is made.

d. For twelve months after the employee's date of involuntary separation, the employee shall continue to be covered under the (i) health insurance plan administered by the employer for its employees, if he participated in such plan prior to his date of involuntary separation, and (ii) group life insurance plan administered by the Virginia Retirement System pursuant to Chapter 5 (§ 51.1-500 et seq.) of Title 51.1, or such other group life insurance plan as may be administered by the employer. During such twelve months, the terminating employer shall continue to pay its share of the terminated employee's premiums. Upon expiration of such twelve month period, the terminated employee shall be eligible to purchase continuing health insurance coverage under COBRA.

e. Transitional severance benefit payments shall cease if a terminated employee is reemployed or hired in an individual capacity as an independent contractor or consultant by the employer during the time he is receiving such payments.

f. All transitional severance benefits payable pursuant to this section shall be subject to applicable federal laws and regulations.

4.a. In lieu of the transitional severance benefit provided in subparagraph 3 of this paragraph, any otherwise eligible employee who, on the date of involuntary separation, is also (i) a vested member of a defined benefit plan within the Virginia Retirement System, including the hybrid retirement program described in § 51.1-169, and including a member eligible for the benefits described in subsection B of § 51.1-138, and (ii) at least fifty years of age, may elect to have the employer purchase on his behalf years to be credited to either his age or creditable service or a combination of age and creditable service, except that any years of credit purchased on behalf of a member of the Virginia Retirement System, including a member eligible for the benefits described in subsection B of § 51.1-138, who is eligible for unreduced retirement shall be added to his creditable service and not his age. The cost of each year of age or creditable service purchased by the employer shall be equal to fifteen percent of the employee's present annual compensation. The number of years of age or creditable service to be purchased by the employer shall be equal to the quotient obtained by dividing (i) the cash value of the benefits to which the employee would be entitled under subparagraphs 3.a. and 3.d. of this paragraph by (ii) the cost of each year of age or creditable service. Partial years shall be rounded up to the next highest year. Deferred retirement under the provisions of

subsection C of §§ 51.1-153 and disability retirement under the provisions of § 51.1-156 et seq., shall not be available under this paragraph.

b. In lieu of the (i) transitional severance benefit provided in subparagraph 3 of this paragraph and (ii) the retirement program provided in this subsection, any employee who is otherwise eligible may take immediate retirement pursuant to §§ 51.1-155.1 or 51.1-155.2.

c. The retirement allowance for any employee electing to retire under this paragraph who, by adding years to his age, is between ages fifty-five and sixty-five, shall be reduced on the actuarial basis provided in subdivision A. 2. of § 51.1-155.

d. The retirement program provided in this subparagraph shall be otherwise governed by policies and procedures developed by the Virginia Retirement System.

e. Costs associated with the provisions of this subparagraph shall be factored into the employer contribution rates paid to the Virginia Retirement System.

f. Notwithstanding the foregoing, the provisions of this paragraph N shall apply to an otherwise eligible employee who is a person who becomes a member on or after July 1, 2010, a person who does not have 60 months of creditable service as of January 1, 2013, or a person who is enrolled in the hybrid retirement program described in § 51.1-169, mutatis mutandis.

O.1. a. In order to address the potential for stranded liability in the Virginia Retirement System, notwithstanding any other contrary provisions of the Appropriation Act or of § 51.1-145, institutions of higher education that have established their own optional retirement plan under § 51.1126(B) shall pay, effective July 1, 2019, contributions to the employer's retirement allowance account in an amount equal to that portion of the state employer contribution rate designated to pay down the total unfunded accrued liability, for any positions existing as of December 31, 2011 that are subsequently converted from non-Optional Retirement Plan for Higher Education (ORPHE) eligible positions to ORPHE-eligible positions on or after January 1, 2012 and that are filled by an employee who elects to participate in the ORPHE. In meeting this obligation, each institution shall provide to the Virginia Retirement System by April 1 of each year a list of all positions converted from non-ORPHE eligible positions to ORPHE-eligible positions since January 1, 2012, and whether current employees in such positions have elected ORPHE participation.

b. Such contributions shall not be required for any new position established by the institution after January 1, 2012, that may be eligible for participation in the Optional Retirement Plan for Higher Education.

2. Furthermore, the Department of Accounts, the Virginia Retirement System, and the universities of higher education shall work to develop a methodology to identify and report separately personnel services expenditures for university personnel in positions that use to be classified positions but have been transitioned to university staff positions.

3. The Virginia Retirement System and the universities of higher education shall submit a report to the Chairmen of the House Appropriations and Senate Finance Committees by November 15, 2018 on the approximate unfunded liability that maybe attributable to these positions and the level of additional contributions the system will realize from the surcharge.

P. 1. Notwithstanding the provisions of § 17.1-327, Code of Virginia, any justice, judge, member of the State Corporation Commission, or member of the Virginia Workers' Compensation Commission who is retired under the Judicial Retirement System and who is temporarily recalled to service shall be reimbursed for actual expenses incurred during such service and shall be paid a per diem of $250 for each day the person actually sits, exclusive of travel time.

2. Out of the general fund appropriation for this Item, $500,000 in the first year and $500,000 in the second year is provided to support the costs resulting from the changes in the per diem amounts provided for in paragraph P.I. The Director, Department of Planning and Budget, shall disburse funding from this Item to all affected judicial and independent agencies upon request.

Q. The Director, Department of Planning and Budget, shall transfer from this Item, general fund amounts estimated at $1,206,557 the first year and $1,267,368 the second year to state agencies and institutions of higher education to support the general fund portion of costs of Line of Duty Act premiums based on the latest enrollment update from the Virginia Retirement System.

R. The Director, Department of Planning and Budget, shall transfer from this Item, general fund amounts estimated at $1,821,951 the first year and $2,291,203 the second year to state agencies and institutions of higher education to support the general fund portion of costs of workers' compensation premiums provided by the Department of Human Resource Management.

S.1. The Governor is hereby authorized to allocate a sum of up to $13,634,815 the first year and $202,207,901 the second year from this appropriation to the extent necessary to offset any downward revisions of the general fund revenue estimate prepared for fiscal years 2019 and 2020 after the enactment by the General Assembly of the 2018 Special Session I Appropriation Act. If the forecast of general fund revenues for fiscal years 2019 and 2020 developed as the basis for the 2019 budget bill is no less than the revenues assumed in the 2018 Appropriation Act then such appropriation shall be used only for employee compensation purposes as stated in paragraphs T., U., V., W., X., Y., Z., and AA. below.

2. Furthermore, $203,515,374 the second year from the general fund allocated to support the state share of a five percent salary adjustment for SOQ funded positions authorized in Item 136 of this act shall be unallotted if the provisions of paragraph S.1. are not met and the actions authorized in paragraphs T., U., V., W., X., Y., Z., and AA. of this item are not effectuated.

3. Appropriation amounts stated in paragraphs T., U., V., W., X., Y., Z., and AA. below reflect the estimated general fund share of costs for such employee compensation actions. Transfers from this Item shall be made based on the general fund share of the actual costs to implement the actions authorized in paragraphs T., U., V., W., X., Y., Z., and AA., as determined by the Director, Department of Planning and Budget. However, the total value of such transfers shall not exceed the amounts designated for these purposes in paragraph S.1. above.

T.1. The base salary of the following employees shall be increased by 2.75 percent on June 10,2019:

a. Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;

b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote; except for faculty at institutions of higher education whose base salary shall be increased three percent.

c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;

d. Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office;

e. Heads of agencies in the Legislative Department;

f. Full-time employees in the Legislative Department, other than officials elected by popular vote;

g. Legislative Assistants as provided for in Item 1 of this act; h. Judges and Justices in the Judicial Department;

i. Heads of agencies in the Judicial Department;

j. Full-time employees in the Judicial Department;

k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officer of the Virginia College Savings Plan, the Executive Director of the Virginia Lottery, and the Director of the Virginia Retirement System; and

1. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia Retirement System.

2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.

b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.

3. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by five percent on June 10, 2019. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances when employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.

4. Out of the amounts for Supplements to Employee Compensation is included $96,976,795 the second year from the general fund to support the general fund portion of costs associated with the salary increase provided in this paragraph.

5. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans:

a. The heads of agencies in the Legislative and Judicial Departments;

b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;

c. The Attorney General;

d. The Director of the Virginia Retirement System;

e. The Executive Director of the Virginia Lottery;

f. The Director of the University of Virginia Medical Center;

g. The Chief Executive Officer of the Virginia College Savings Plan;

h. The Executive Director of the Virginia Port Authority; and

i. The Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority.

6. The base rates of pay, and related employee benefits, for wage employees may be increased up to 2.75 percent no earlier than June 10, 2019. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

U.1. The appropriations in this item include funds to increase the base salary of the following employees by three percent on July 1, 2019, provided that the governing authority of such employees use such funds to support salary increases for the following listed employees:

a. Locally-elected constitutional officers;

b. General Registrars and members of local electoral boards;

c. Full-time employees of locally-elected constitutional officers and,

d. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services boards, local pretrial services act and comprehensive community corrections act employees, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.

2. Out of the appropriation for Supplements to Employee Compensation is included $26,830,344 the second year from the general fund to support the costs associated with the salary increase provided in subparagraph U.1.

3. In addition to any other salary increase provided in this paragraph, $139,611 from the general fund in the second year is included to provide general registrars an additional three percent salary increase, effective July 1, 2019

V.1. In addition to the salary increase authorized in paragraph T. of this item, the appropriation for this item includes $42,834,355 from the general fund the second year to provide an additional 2.25 percent merit based salary adjustment for state employees with three or more years of continuous state service listed in paragraph T. of this item, except for faculty at institutions of higher education, appointed officials and employees designated as university staff at institutions of higher education, and judges and justices in the Judicial Department, and Officials whose salary is listed in § 4-6.01 of this act, effective June 10, 2019. Agency directors shall have the authority to provide individual employees a merit increase in excess of 2.25 percent provided the total cost of all merit increases for each agency does not exceed the 2.25 percent average.

2. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans:

a. The heads of agencies in the Legislative and Judicial Departments;

b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;

c. The Attorney General;

d. The Director of the Virginia Retirement System;

e. The Executive Director of the Virginia Lottery;

f. The Director of the University of Virginia Medical Center;

g. The Chief Executive Officer of the Virginia College Savings Plan; h. The Executive Director of the Virginia Port Authority; and

i. The Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority.

3. The Governor may utilize existing funds within agencies to provide an additional 2.25 percent merit based salary adjustment for agency heads, cabinet members, or other officials listed in subparagraphs b. and c.6. of§ 4-6.01 with three or more years of continuous state service.

4. The State Council of Higher Education for Virginia may utilize existing funds to provide an additional 2.25percent merit-based salary adjustment for its agency heard.

W. The appropriations in this item includes $6,670,930 the first year and $17,949,110 the second year from the general fund to support the cost of a $2,016 salary increase for Correctional Officers and Correctional Officer Seniors within the Department of Corrections effective January 10, 2019.

X. The appropriations in this item includes $391,791 the first year and $958,044 the second year from the general fund to support the cost of a $1,846 salary increase for Correctional Officers and Correctional Officer Seniors within the Department of Juvenile Justice effective January 10, 2019.

Y. Included in this appropriation is $145,997 the first year and $350,394 the second year from the general fund to support the cost of the following salary adjustment for all members of the Virginia Marine Police effective January 10, 2019:

1.) The starting salary for officers of the Virginia Marine Police shall be set at $41,814.

2.) Consistent with current practice, officers of the Virginia Marine police shall receive a five percent salary adjustment after completing one year of service resulting in a salary of $43,905.

3.) The salary for all current members of the Virginia Marine Police with more than one year of service shall be the greater of $43,905 or their current salary adjusted for a 6.5 percent increase.

Z. The appropriations in this item includes $5,083,333 the first year and $12,200,000 the second year from the general fund to support the cost of increasing the salaries for direct service associates, licensed practical nurses, and registered nurses employed in facilities of the Department of Behavioral Health & Developmental Services to within three percent of the market median effective January 10, 2019.

AA. The appropriations in this item includes $1,342,764 the first year and $4,108,859 the second year from the general fund to support the cost of increasing the entry level pay for sworn deputy sheriffs in sheriffs' offices by $871 effective February 1, 2019.

BB. Out of the amounts included in this Item, an amount estimated at $808,692 the second year from the general fund shall be transferred to the University of Virginia to cover the state share of the increases in employer premiums for state employees participating in the university's health care plan.

CC. The Director of the Department of Planning and Budget shall withhold from general fund appropriations of state agencies and institutions of higher education, and transfer to this item, the amount of $46,111,165 the second year representing the savings that will be realized from providing a premium holiday for members in the state employee health benefits program, including retirees and COBRA beneficiaries included in the state employee funding pool, for the two pay periods in October 2019.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
475. Payments for Special or Unanticipated Expenditures (75800).....			$35,637,316	~~$58,063,713~~ $79,195,673
Miscellaneous Contingency Reserve Account (75801).....	$1,300,000	~~$1,300,000~~ $16,300,000		
Economic Development Assistance (75804).....	$0	$1,350,000		
Undistributed Support for Designated State Agency Activities (75806).....	$34,337,316	~~$55,413,713~~ $61,545,673		
Fund Sources: General.....	$35,637,316	~~$58,063,713~~ $79,195,673		

Authority: Discretionary Inclusion.

A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an amount not to exceed $5,000,000 from the unappropriated balance derived by subtracting the general fund appropriations from the projected general fund revenues in this act, to provide for supplemental funds pursuant to paragraph D hereof. Transfers from this Item shall be made only when (1) sufficient funds are not available within the agency's appropriation and (2) additional funds must be provided prior to the end of the next General Assembly Session.

B.1. The Governor is authorized to allocate from the unappropriated general fund balance in this act such amounts as are necessary to provide for unbudgeted cost increases to state agencies incurred as a result of actions to enhance homeland security, combat terrorism, and to provide for costs associated with the payment of a salary supplement for state classified employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard. Any salary supplement provided to state classified employees ordered to active duty, shall apply only to employees who would otherwise earn less in salary and other cash allowances while on active duty as compared to their base salary as a state classified employee. Guidelines for such payments shall be developed by the Department of Human Resource Management in conjunction with the Departments of Accounts and Planning and Budget.

2. The Governor shall submit a report within thirty days to the Chairmen of House Appropriations and Senate Finance Committees which itemizes any disbursements made from this Item for such costs.

3. The governing authority of the agencies listed in this subparagraph may, at its discretion and from existing appropriations, provide such payments to their employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard, as are necessary to provide comparable pay supplements to its employees.

a. Agencies in the Legislative and Judicial Departments:

b. The State Corporation Commission, the Virginia Workers' Compensation Commission, the Virginia Retirement System, the Virginia Lottery, and the Virginia College Savings Plan:

c. The Office of the Attorney General and the Department of Law: and

d. State-supported institutions of higher education.

C. The Governor is authorized to expend from the unappropriated general fund balance in this act such amounts as are necessary, up to $1,500,000, to provide for indemnity payments to growers, producers, and owners for losses sustained as a result of an infectious disease outbreak or natural disaster in livestock and poultry populations in the Commonwealth. These indemnity payments will compensate growers, producers, and owners for a portion of the difference between the appraised value of each animal destroyed or slaughtered or animal product destroyed in order to control or eradicate an animal disease outbreak and the total of any salvage value plus any compensation paid by the federal government.

D. Out of the appropriation for this item is included $1,000,000 the first year and $1,000,000 the second year from the general fund to be used by the Governor as he may determine to be needed for the following purposes:

1. To address the six conditions listed in § 4-1.03 c 5 of this act.

2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential commodities, services, and training which cannot be absorbed within agency appropriations including unbudgeted benefits associated with Workforce Transition Act requirements.

3. To secure federal funds in the event that additional matching funds are needed for Virginia to participate in the federal Superfund program.

4. To provide a payment of up to $100,000 to the Military Order of the Purple Heart, for the continued operation of the National Purple Heart Hall of Honor, provided that at least half of other states have made similar grants.

5. In addition, if the amounts appropriated in this Item are insufficient to meet the unanticipated events enumerated, the Governor may utilize up to $1,000,000 the first year and $1,000,000 the second year from the general fund amounts appropriated for the Commonwealth's Opportunity Fund for the unanticipated purposes set forth in paragraph D.1. through paragraph D.5. of this Item.

6. In addition, to provide for payment of monetary rewards to persons who have disclosed information of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act.

7. The Department of Planning and Budget shall submit a quarterly report of any disbursements made from, commitments made against, and requests made for such sums authorized for allocation pursuant to this paragraph to the Chairmen of the House Appropriations and Senate Finance Committees. This report shall identify each of the conditions specified in this paragraph for which the transfer is made.

E.1. Included in this appropriation is $300,000 the first year and $300,000 the second year from the general fund to pay for private legal services and the general fund share of unbudgeted costs for enforcement of the 1998 Tobacco Master Settlement Agreement. Transfers for private legal services shall be made by the Director, Department of Planning and Budget upon prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510, Code of Virginia or Item 56, Paragraph D of this act. Transfers for enforcement of the Master Settlement Agreement shall be made by the Director, Department of Planning and Budget at the request of the Attorney General, pursuant to Item 56, Paragraph B of this act.

2. The Governor may authorize additional amounts appropriated to this item for the reimbursement of legal costs and settlements.

F. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or portion thereof, of any public facility pursuant to § 58.1-608.3, Code of Virginia, shall be entitled to all sales tax revenues generated by transactions taking place in such public facility.

G. The Director, Department of Planning and Budget, shall transfer from this Item, general fund amounts estimated at $31,341,768 the first year and $47,497,476 the second year to state agencies and institutions of higher education to support the general fund portion of costs resulting from the estimated usage of technology services provided by the Virginia Information Technologies Agency.

H.1. Out of this appropriation, $790,791 the first year from the general fund shall be provided to the City of Richmond for expenses incurred for the development of the Slavery and Freedom Heritage Site in Richmond, including Lumpkin's Pavilion and Slave Trail improvements. Any unexpended general fund balances as of June 30, 2019, that were appropriated for the purpose of supporting the City of Richmond in the development of the Slavery and Freedom Heritage Site in Richmond shall not revert to the general fund, but shall instead be reappropriated for its original purpose. Out of this appropriation and all amounts previously appropriated for this purpose, a cumulative total of up to $1,000,000 shall be used for improvements to the Slave Trail, and up to $1,000,000 for costs associated with Lumpkin's Pavilion. It is the intent of the General Assembly to fully meet its commitment to the project as reimbursement requests are made and funding to meet such requests shall be included by the Governor in any budget submission made pursuant to the provisions of §§ 2.2-1508 and 2.2-1509, Code of Virginia.

2. Prior to the receipt of state funds for the purpose set out in paragraph H.I., the Richmond City Council shall pass a resolution outlining its approval of and financial commitment to the proposed project and local matching funds in an amount totaling at least $5,000,000 which shall be appropriated by the City of Richmond for the project prior to receipt of any state funds. Release of state funding for Lumpkin's Pavilion shall also require evidence that the City of Richmond has raised at least fifty percent of the remaining funding required for that portion of the project from private or other sources.

3. At such time that the City of Richmond has completed construction of the respective improvements, the City of Richmond shall be eligible for reimbursement from the Commonwealth of an amount not to exceed $9,000,000, or up to twenty five percent of the total costs of each project.

4. State funding appropriated in paragraph H.1. and future appropriations considered in paragraph H.3., shall be allocated only as follows: no more than $5,000,000 shall be allocated for the planning, design, and construction of the Pavilion at Lumpkin's Jail, no more than $1,000,000 shall be allocated for improvements to the Richmond Slave Trail, and no more than $5,000,000 shall be allocated for the planning, design and construction of a slavery museum.

5. The City of Richmond shall provide documentation to the Department of General Services on the progress of this project and actual expenditures incurred for it in a form acceptable to the Secretaries of Finance and Administration.

6. In addition to the matching requirements set out in paragraph H.2., the City of Richmond shall provide and dedicate appropriate contiguous real estate prior to the receipt of any state funding for the purposes outlined in paragraph H.1 above.

7. The Department of General Services shall act as the fiscal agent for these funds. The director shall oversee the expenditure of state appropriations to ensure that payments to the City of Richmond are made consistent with the purposes set out in paragraphs H.1. and H.4. The Director, Department of Planning and Budget, is authorized to transfer these funds to the Department of General Services to implement this appropriation.

8. This appropriation shall be exempt from the disbursement procedures specified in § 4-5.05 of the act.

I.1. The Director, Department of Planning and Budget, is authorized to transfer any remaining balances originally appropriated in Item 476 I., Chapter 836, 2017 Virginia Acts of Assembly, the first year, to the Department of State Police for unanticipated costs associated with mitigating security threats, information technology (IT) security gaps, and the data stored on IT systems used by the Department. The costs eligible for reimbursement shall be for information technology and telecommunications goods and services that have been procured in accordance with the regulations, policies, procedures, standards, and guidelines of the Virginia Information Technologies Agency.

2.a. Notwithstanding the provisions of § 2.2-2011, Code of Virginia, the Department of State Police is authorized to procure, develop, operate, and manage the cyber security and management tools required to protect the information technology used by the Department that is defined as out-of-scope from the Virginia Information Technologies Agency pursuant to the Memorandum of Understanding (MOU) between the two agencies dated August 30, 2013. The Department of State Police shall be solely responsible for securing all aspects of information technology defined as out-of-scope in the current MOU.

b. Costs expended by the Department of State Police for cyber security and management tools shall be reimbursed by the Director, Department of Planning and Budget from unexpended funds provided in paragraph 1.1. of this Item, after such expenses have been approved by the Chief Information Officer and determined to be in compliance with the regulations, policies, procedures, standards, and guidelines of the Virginia Information Technologies Agency.

3.a. The Superintendent of State Police shall develop and report to the Chairmen of the House Committee on Appropriations and Senate Committee on Finance a detailed transition plan addressing the steps required for the Department of State Police to assume responsibility for the development, operation, and management of all of its information technology infrastructure and services. The Department of State Police is authorized to procure consulting services to assist in the development of the detailed transition plan. The Virginia Information Technologies Agency shall assist in the development and drafting of the detailed transition plan.

b. The report shall, at a minimum, include a detailed transition plan that: (i) identifies and evaluates anticipated transition timelines, tasks, activities, and responsible parties; (ii) identifies any one-time and ongoing costs of transitioning responsibility for information technology services from the Virginia Information Technologies Agency to the Department of State Police, including the estimated costs to obtain existing information technology assets or transition services from Northrop Grumman; (iii) identifies the ongoing costs of staffing, services, and contracts related to enterprise security and management tools, legacy system replacements or upgrades, construction or lease of facilities including data centers, labor costs and workload analyses, and training costs; (iv) identifies any other such factors deemed necessary for discussion as identified by the Superintendent of State Police or Chief Information Officer of the Commonwealth; (v) identifies necessary changes required to transition and modernize current statutes related to basic State Police communication systems consistent with the Criminal Justice Information Services Security Policy Version 5.5, or its successor; and (vi) provides a jointly developed and agreed upon MOU between the Department of State Police and the Virginia Information Technologies Agency that certifies the information.

c. Costs expended by the Department of State Police for the development of the detailed transition plan shall be reimbursed by the Director, Department of Planning and Budget from unexpended funds provided in paragraph 1.1 of this item, after such expenses have been approved by the Chief Information Officer and determined to be in compliance with the regulations, policies, procedures, standards, and guidelines of the Virginia Information Technologies Agency.

d. The report and accompanying Memorandum shall be provided to the Chairmen of the House Committee on Appropriations and Senate Committee on Finance as required by Item 476 I., Chapter 836, 2017 Virginia Acts of Assembly. The Chief Information Officer of the Commonwealth shall review the report and provide an analysis of the detailed transition plan no later than 30 days after submission of the report to the Chairmen of the House Committee on Appropriations and Senate Committee on Finance.

4. Any remaining balances as originally appropriated in Item 476 1.5., Chapter 836, 2017 Virginia Acts of Assembly, from the general fund are authorized to be transferred to reimburse the Department of State Police for costs associated with mitigating information technology security threats and gaps required to protect and manage out-of-scope information technology that is not addressed in paragraph 3.b. All such costs shall be eligible for reimbursement if they have been procured in accordance with the regulations, policies, procedures, standards, and guidelines of the Virginia Information Technologies Agency. The Director, Department of Planning and Budget is authorized to release this funding following certification by the Chief Information Officer that these costs address cyber security threats and gaps, including upgrades to legacy applications to remediate audit findings by the Auditor of Public Accounts or Commonwealth Security and Risk Management.

J. The Director, Department of Planning and Budget, shall withhold and transfer to this Item, an amount estimated at $365,568 the first year and shall transfer from this Item an amount estimated at $19,782 the second year from the general fund for the general fund share of rental costs for space maintained and operated by the Department of General Services.

K. Out of this appropriation, $203,893 the first year and $203,893 the second year from the general fund shall be provided to state agencies to support the costs of information technology security audits and information security officer services. With such funding, agencies are encouraged to work with the Virginia Information Technologies Agency's information technology shared security center created pursuant to Item 84.70 of this act.

L. The Director, Department of Planning and Budget, shall transfer from this Item, general fund amounts estimated at $1,043,931 the first year and $3,208,467 the second year to state agencies and institutions of higher education to support the general fund portion of costs resulting from changes in agency charges for the Cardinal Financial System operated by the Department of Accounts.

M. The Director, Department of Planning and Budget, shall transfer from this Item, general fund amounts estimated at $237,053 the first year and $247,487 the second year to state agencies and institutions of higher education to support the general fund potion of costs resulting from changes in agency charges for the Performance Budgeting system.

O. The Director, Department of Planning and Budget, shall withhold and transfer to this Item, ~~an~~ amounts estimated at $25,552 the first year and ~~shall transfer from this Item art amount estimated at $21,608~~ $325,333 the second year from the general fund ~~to~~ from executive branch agencies to support the costs of the Personnel Management Information System.

P. Out of the appropriation for this Item is included $1,111,000 the first year and $1,215,000 the second year from the general fund for a joint internship and management training program to assist in improving leadership, management, and succession planning capabilities of all branches of state government. The Secretary of Finance shall contract with Virginia Tech for the continuation of the program. The program shall collaborate with Virginia public colleges and universities on an internship, management training and

succession planning program by which students in their final year of undergraduate school work, or those attending graduate programs may be considered for opportunities for state employment on a temporary basis, whereby they may earn academic credit for hours worked while participating in the program. Any balances remaining from the appropriation identified in this paragraph shall not revert to the general fund at the end of the fiscal year, but shall be brought forward and made available to support the Virginia Management Fellows program in the subsequent fiscal year.

Q. 1. The Virginia Information Technologies Agency shall study and submit its recommendations for the development, ongoing support, and system of governance for a personnel information system to replace the current version of the Personnel Management Information System (PMIS) to the Governor no later than September 1, 2018. The Department of Human Resource Management, Department of Accounts, and any other agency designated by the Virginia Information Technologies Agency, shall provide all required information necessary for the Virginia Information Technologies Agency to develop the required recommendations.

2. Notwithstanding § 2.2-1201, Code of Virginia, the Governor shall select a state agency to develop and maintain a personnel information system to replace the current version of PMIS. In determining which agency shall develop and maintain the new personnel information system, consideration shall be given to maximizing the efficiencies of enterprise systems and the benefits of establishing a single source of personnel information to achieve greater security of sensitive personally identifiable information. Further, the Governor shall establish a permanent system of governance over the new personnel information system which shall designate specifically which agencies have responsibility for authority and control of the data in the new personnel information system as well as responsibility for systems support and maintenance.

3. A working capital advance is authorized in Item 259 for the Department of Accounts to support the initial costs of replacing the current version of PMIS. Initial costs include any costs necessary for the planning, development, and configuration of the new personnel information system. Initial costs do not include statewide roll-out costs necessary to ensure agencies are prepared for the implementation of the new payroll system and the decommissioning of PMIS such as applications configuration, agency training, change management costs, or costs incurred by line agencies to develop required interfaces from agency based systems.

R. Out of this appropriation, $1,350,000 the second year from the general fund is provided to support the advancement of computer science education and implementation of the Commonwealth's new computer science standards across the public education continuum. These funds are intended to provide high quality professional development to current and future teachers; create, curate, and disseminate high quality computer science curriculum, instructional resources, and assessments; support summer and after-school computer science related programming for students; and facilitate meaningful career exposure and work-based learning opportunities in computer science fields for high school students. Funds shall be disbursed through a competitive grant process and shall prioritize at-risk students and schools. In consultation with the Secretary of Finance and the Secretary of Commerce and Trade, the Secretary of Education shall develop a process to award these funds in accordance with the provisions of this language, with the Governor providing final approval for distribution of the funds.

S.1. The Director, Department of Corrections, shall procure and implement an electronic health records system for use in the Department's secure correctional facilities using the platform provided through Contract Number VA-121107-SMU managed by the Virginia Information Technologies Agency on behalf of the Commonwealth of Virginia. The system shall be established on a domain separate from any other procured through the Contract.

~~2. Included in the amounts provided for this item is $3,000,000 the second year from the general fund for a contingency fund should the costs of complying with Paragraph S.1 of this item exceed the amounts provided for such purpose in Item 391. The Director, Department of Planning and Budget, is authorized to transfer appropriation from this contingency fund to the Department of Corrections, after verification of the total costs of an electronic health records system which justifies the need for additional funding from this item."~~

2. The Director, Department of Planning and Budget shall transfer $3,000,000 from the general fund out of this appropriation to Program 39900 in the Department of Corrections for the procurement of electronic health records by June 30, 2020. Any unexpended balance in this appropriation in the Department of Corrections as of June 30, 2020 shall be reappropriated for this purpose in the next fiscal year.

T. Out of this appropriation, $5,898,901 the second year from the general fund is provided to cover the costs associated with the 2020 presidential primary. Out of this amount, up to $5,751,593 may be used by the Department of Elections to reimburse localities for their presidential primary expenditures and up to $147,308 may be used to cover costs incurred directly by the Department of Elections.

U. Out of this appropriation is included $650,000 the second year from the general fund for a procurement disparity study in state government. The Department of Planning and Budget is authorized to transfer amounts from the appropriation in this item to applicable state agencies as required to execute the purposes of this paragraph.

V. On or before June 30, 2020, the Committee on Joint Rules shall authorize a reversion to the general fund of $1,500,000 in unexpended year end balances from the Joint Legislative Audit and Review Commission.

W. On or before June 30, 2020, the Committee on Joint Rules shall authorize a reversion to the general fund of $2,828,901, representing savings generated by legislative agencies in the second year. The total savings amount includes estimated savings within the following legislative agencies:

Legislative Agency	**Estimated Savings**
Division of Legislative Services (107)	$823,390
Joint Commission on Technology and Science (847)	$116,050
State Water Commission (971)	$15,255
Virginia Coal and Energy Commission (118)	$43,232
Commission on Unemployment Compensation (860)	$27,454
Small Business Commission (862)	$22,894
Commission on Electric Utility Regulation (863)	$14,084
Joint Commission on Administrative Rules (865)	$25,136
Virginia Conflicts of Interest and Ethics Advisory Council (876)	$188,175
Joint Commission on Transportation Accountability (875)	$53,233
World War I and World War II Commemoration Commission (872)	$1,500,000

X. On or before June 30, 2020, the Director, Department of Planning and Budget, shall revert to the general fund the amounts provided in Item 374, Paragraph M of Chapter 854, 2019 Acts of Assembly.

	Item Details($)		Appropriations($)
First	Second Year	First	Second Year

	Year FY2019	FY2020	Year FY2019	FY2020
475.10 Not set out.				
475.20 Not set out.				
476. Not set out.				
476.10 Disaster Planning and Operations (72200).....			$0	$50,000,000
Pandemic Response (72211).....	$0	$50,000,000		
Fund Sources: General.....	$0	$50,000,000		

A. 1. The Governor is hereby authorized to appropriate sums to state agencies, institutions of higher education, and other permissible entities the federal funding provided pursuant to the Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123), the Families First Coronavirus Response Act (P.L. 116-127), the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116- 136), and any other federal funding provided through subsequent legislation approved by Congress with regard to the Coronavirus public health emergency. For the purposes of this item, such federal funding shall be referred collectively to as "federal relief funds". All such federal relief funds shall be subject to applicable federal rules and regulations governing these funds. Amounts so allocated are hereby appropriated subject to the provisions and conditions contained in this item.

2. Records Management and Reporting

a. Agencies receiving federal relief funds shall comply with the financial or other data reporting requirements set forth by the State Comptroller or the Director of the Department of Planning and Budget and shall compile and maintain all records necessary to fulfill such reporting requirements and to meet any subsequent audit of the expenditure of such federal funds.

b. Agencies receiving federal relief funds shall comply with all federal reporting requirements for the receipt of any funds and shall compile and maintain all records necessary to fulfill such reporting requirements and to meet any subsequent audit of the expenditure of such federal funds.

c. Agencies receiving federal relief funds shall comply with any requirements established to ensure the transparency of the use or expenditure of such federal funds.

3. The Governor or his designee shall submit a quarterly report to the Chairs of House Appropriations and Senate Finance and Appropriations Committees that itemizes any appropriation action of federal relief funds.

4. It is the intent of the General Assembly that the Commonwealth maximize the use of the federal relief funds. The Governor shall take all reasonable actions necessary to apply for federal relief funds. The Governor shall further ensure that funds are appropriated, distributed, and utilized in a manner that is consistent with the provisions of state and federal law.

B. The Governor is authorized to appropriate, within this item or any other item of this Act, any revenues deposited to the COVID-19 Relief Fund created pursuant to House Bill 881 and Senate Bill 971 of the 2020 Session of the General Assembly. Such appropriations shall be used for the purposes of responding to the impacts of the COVID-19 pandemic which shall include, but not be limited to, i) relief to small businesses, ii) assistance for housing and homelessness, Hi) assistance for long term care facilities, and iv) any other purpose designated by the Governor to address the impact of the COVID-19 pandemic. The Governor is authorized to transfer such appropriations and associated revenues to agencies designated to carry out the services required to address the COVID-19 pandemic. The Governor or his designee shall report the use of the COVID-19 Relief Fund to the Chairs of House Appropriations and Senate Finance and Appropriations Committees on a quarterly basis.

C. Out of the appropriation in this Item, $50,000,000 the second year from the general fund is provided i) for the state match component of COVID-19 related federal grants, or ii) to address the six conditions listed in § 4-1.03 c 5 of this act as they relate to responding to the COVID-19 pandemic. The Governor is authorized to allocate amounts to applicable state agencies to maximize the use of federal relief funds that require a state match. The Governor or his designee shall report the distribution of any of this appropriation to the Chairs of House Appropriations and Senate Finance and Appropriations Committees on a quarterly basis.

D. Any reports required by paragraphs A, B, or C above may be submitted electronically. Further, the reporting requirement shall be considered to have been met if the required information is posted on a public website.

E. Any unexpended balance remaining in this Item on June 30, 2020, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the next biennium.

	Item Details($) First Year FY2019	Second Year FY2020	Appropriation First Year FY2019	Second Year FY2020
Total for Central Appropriations.....			**$210,630,327**	~~**$395,912,484**~~ **$467,044,444**
Fund Sources: General.....	$87,776,606	~~$273,058,763~~ $344,190,723		
Higher Education Operating.....	$3,525,816	$3,525,816		
Trust and Agency.....	$119,327,905	$119,327,905		
TOTAL FOR CENTRAL APPROPRIATIONS			**$210,630,327**	~~**$395,912,484**~~ **$467,044,444**
Fund Sources: General.....	$87,776,606	~~$273,058,763~~ $344,190,723		
Higher Education Operating.....	$3,525,816	$3,525,816		
Trust and Agency.....	$119,327,905	$119,327,905		
TOTAL FOR EXECUTIVE DEPARTMENT.....			**$56,616,010,051**	~~**$60,699,199,**~~ **$60,936,021,**
General Fund Positions.....	48,692.64	~~49,423.41~~ 49,334.41		

Nongeneral Fund Positions	65,157.40	~~65,989.73~~ 66,089.73
Position Level	113,850.04	~~115,413.14~~ 115,424.14
Fund Sources: General	$20,849,290,584	~~$22,142,953,430~~ $21,673,270,322
Special	$1,655,421,782	~~$1,648,650,778~~ $1,663,773,949
Higher Education Operating	$9,013,852,830	~~$9,174,875,597~~ $9,214,546,983
Commonwealth Transportation	$6,696,424,944	~~$6,158,063,195~~ $7,018,068,215
Enterprise	$1,381,158,924	~~$1,421,754,287~~ $1,434,342,473
Internal Service	$2,099,646,770	~~$2,071,214,416~~ $2,070,676,464
Trust and Agency	$2,154,440,521	~~$2,307,852,502~~ $2,307,457,491
Debt Service	$344,923,009	$344,923,009
Dedicated Special Revenue	$2,325,280,817	~~$2,742,023,054~~ $2,812,087,888
Federal Trust	$10,095,569,870	~~$12,686,889,281~~ $12,396,874,838

INDEPENDENT AGENCIES

§ 1-33. STATE CORPORATION COMMISSION (171)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
477. Not set out.				
478. Not set out.				
479. Not set out.				
480. Not set out.				
481. Plan Management (40800)			$101,278	~~$101,278~~ $451,278
Federal Health Benefit Exchange Plan Management (40801)	$101,278	$101,278		
State Health Benefit Exchange Plan Management (40802)	$0	$350,000		
Fund Sources: General	$101,278	$101,278		
Special	$0	$350,000		

Authority: §§ 38.2-316.1 and 38.2-326, Code of Virginia; § 42.18041 c, United States Code.

A. There is hereby appropriated to the State Corporation Commission $101,278 the first year and $101,278 the second year from the general fund to pay for the plan management functions authorized in Chapter 670 of the Acts of Assembly of 2013.

B.1. The State Corporation Commission may use a portion of any unused funds appropriated for plan management functions in the second year to fund the initial start-up costs of the State Health Benefit Exchange.

2. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may authorize either a working capital advance or an interest-free treasury loan in an amount not to exceed $40,000,000 for the State Corporation Commission to fund start-up costs and other costs associated with the implementation of a State Health Benefit Exchange. The Secretary of Finance may extend the repayment plan for any such working capital advance or interest-free treasury loan for a period longer than twelve months.

3. The State Corporation Commission may use a portion of the user fees collected from health insurance carriers participating in the State Health Benefit Exchange to repay the working capital advance or interest-free treasury loan authorized in B.2.

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
Total for State Corporation Commission			**$107,420,395**	**~~$109,731,228~~ $110,081,228**
Nongeneral Fund Positions	675.00	676.00		
Position Level	675.00	676.00		
Fund Sources: General	$101,278	$101,278		
Special	$98,103,676	~~$100,341,498~~ $100,691,498		

Trust and Agency.....	$5,856,941	$5,856,941
Dedicated Special Revenue.....	$1,308,500	$1,381,511
Federal Trust.....	$2,050,000	$2,050,000

§ 1-34. VIRGINIA LOTTERY (172)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
482. State Lottery Operations (81100).....			$112,279,472	$102,661,539
Regulation and Law Enforcement (81105).....	$3,135,511	$3,264,712		
Gaming Operations (81106).....	$96,817,454	$86,880,145		
Administrative Services (81107).....	$12,326,507	$12,516,682		
Fund Sources: Enterprise.....	$112,279,472	$102,661,539		

Authority: Title 58.1, Chapter 40, Code of Virginia.

A. Out of the amounts for Virginia Lottery Operations shall be paid:

1. Reimbursement for compensation and reasonable expenses of the members of the Virginia Lottery Board in the performance of their duties, as provided in § 2.2-2813, Code of Virginia.

2. The total costs for the operation and administration of the state lottery, pursuant to § 58.1-4022, Code of Virginia.

3. The costs of informing the public of the purposes of the Lottery Proceeds Fund, established pursuant to Article X, Section 7-A, Constitution of Virginia.

B. 1. The Lottery is authorized to use its line of credit to start the Request for Proposal process and other relevant activities related to iLottery, Sports Betting, and/or Casino Gaming prior to the end of the current biennium.

2. The Lottery Board, as the regulator and oversight entity for Casino Gaming in the Commonwealth, shall develop guidelines to review preferred casino operator submissions by eligible host cities.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
483. Not set out.				
Total for Virginia Lottery.....			**$462,279,472**	**$452,661,539**
Nongeneral Fund Positions.....	308.00	308.00		
Position Level.....	308.00	308.00		
Fund Sources: Enterprise.....	$462,279,472	$452,661,539		
484. Not set out.				
485. Not set out.				

§ 1-35. VIRGINIA RETIREMENT SYSTEM (158)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
486. Not set out.				
487. Not set out.				
488. Administrative and Support Services (79900).....			$43,274,684	~~$38,928,014~~ $39,627,014
General Management and Direction (79901).....	$21,964,712	~~$16,406,220~~ $17,105,220		
Information Technology Services (79902).....	$21,309,972	$22,521,794		
Fund Sources: Trust and Agency.....	$43,274,684	~~$38,928,014~~ $39,627,014		

Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.

A. Out of the amounts appropriated to this Item, the director is authorized to expend an amount not to exceed $25,000 the first year and $25,000 the second year for expenses commonly borne by business enterprises. Such expenses shall be recorded separately by the agency.

B. Out of the amounts appropriated to this item, an amount not to exceed $300,000 the first year and $300,000 the second year is designated to provide retirement-related services in support of the Commission on Employee Retirement Security and Pension Reform created pursuant to the passage of Chapter 683, 2016 Acts of Assembly.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
489. Not set out.				
Total for Virginia Retirement System.....			**$95,843,664**	~~**$94,022,369**~~ **$94,721,369**
Nongeneral Fund Positions.....	364.00	368.00		
Position Level.....	364.00	368.00		
Fund Sources: General.....	$185,137	$80,000		
Trust and Agency.....	$95,658,527	~~$93,942,369~~ $94,641,369		
490. Not set out.				
491. Not set out.				
TOTAL FOR INDEPENDENT AGENCIES.....			**$995,147,806**	~~**$987,054,942**~~ **$988,103,942**
Nongeneral Fund Positions.....	1,759.00	1,764.00		
Position Level.....	1,759.00	1,764.00		
Fund Sources: General.....	$286,415	$181,278		
Special.....	$98,103,676	~~$100,341,498~~ $100,691,498		
Enterprise.....	$742,796,509	$732,782,468		
Trust and Agency.....	$101,515,468	~~$99,799,310~~ $100,498,310		
Dedicated Special Revenue.....	$48,895,738	$49,888,388		
Federal Trust.....	$3,550,000	$4,062,000		

STATE GRANTS TO NONSTATE ENTITIES

	Item Details($)		Appropr	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second FY2020
492. Not set out.				
TOTAL FOR STATE GRANTS TO NONSTATE ENTITIES.....			$0	$0
TOTAL FOR PART 1: OPERATING EXPENSES.			**$58,242,201,726**	~~**$62,326**~~ **$62,571**
General Fund Positions.....	52,557.85	~~53,311.62~~ 53,222.62		
Nongeneral Fund Positions.....	67,054.90	~~67,892.23~~ 67,992.23		
Position Level.....	119,612.75	~~121,203.85~~ 121,214.85		
Fund Sources: General.....	$21,443,001,673	~~$22,747,795,510~~ $22,283,247,402		
Special.....	$1,766,672,283	~~$1,762,125,459~~ $1,777,812,058		
Higher Education Operating.....	$9,013,852,830	~~$9,174,875,597~~ $9,214,546,983		
Commonwealth Transportation.....	$6,696,424,944	~~$6,158,063,195~~ $7,018,068,215		
Enterprise.....	$2,123,955,433	~~$2,154,536,755~~ $2,167,124,941		
Internal Service.....	$2,099,646,770	~~$2,071,214,416~~ $2,070,676,464		
Trust and Agency.....	$2,256,074,934	~~$2,407,770,757~~ $2,408,074,746		
Debt Service.....	$344,923,009	$344,923,009		
Dedicated Special Revenue.....	$2,397,092,327	~~$2,814,827,214~~ $2,884,892,048		
Federal Trust.....	$10,100,557,523	~~$12,692,388,934~~		

$12,402,374,491

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 a 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 § 4-4.01c 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-~~52~~ 31 and 2-~~53~~ 32 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-~~52~~ 31 and 2-~~53~~ 32 is hereby authorized.

2. The issuance of bonds for any project listed in §§ 2-~~52~~ 31 and 2-~~53~~ 32 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-~~52~~ 31 and 2-~~53~~ 32 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-~~52~~ 31 and 2-~~53~~ 32 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-~~52~~ 31 and 2-~~53~~ 32 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-~~52~~ 31 and 2-~~53~~ 32 for such capital project.

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-~~52~~ 31 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-~~53~~ 32 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.

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 Chairmen of the Senate Finance 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:

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 Board Guidelines issued pursuant to § 23.1-1106 C.1.d, Code of Virginia.

b. The General Assembly authorizes James Madison University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. James Madison University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

c. The General Assembly further authorizes James Madison University to enter into a written agreement with the public or private entity for the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

d. James Madison University is further authorized to convey fee simple title in and to one or more parcels of land to James Madison University Foundation (JMUF), which will develop and use the land for the purpose of developing and establishing residential housing for students and/or faculty and staff, office, retail, athletics, dining, student services, and other auxiliary activities and commercial land use in accordance with the University's Master Plan.

2. Longwood University

a. Subject to the provisions of this act, the General Assembly authorizes Longwood University to enter into a written agreement or agreements with the Longwood University Real Estate Foundation (LUREF) for the development, design, construction and financing of student housing projects, a convocation center, parking, and operational and recreational facilities through alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.

b. Longwood is further authorized to enter into a written agreement with the LUREF for the support of such student housing, convocation center, parking, and operational and recreational facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

c. The General Assembly further authorizes Longwood University to enter into a written agreement with a public or private entity to plan, design, develop, construct, finance, manage and operate a facility or facilities to provide additional student housing and/or operational-related facilities. Longwood University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenue bonds issued by or for the benefit of LUREF will provide construction and/or permanent financing.

d. Longwood University is further authorized to convey fee simple title in and to one or more parcels of land to LUREF, which will develop and use the land for the purpose of developing and establishing residential housing for students and/or faculty and staff, office, retail, athletics, dining, student services, and other auxiliary activities and commercial land use in accordance with the University's Master Plan.

3. Christopher Newport University

a. Subject to the provisions of this act, the General Assembly authorizes Christopher Newport University to enter into, continue, extend or amend written agreements with the Christopher Newport University Educational Foundation (CNUEF) or the Christopher Newport University Real Estate Foundation (CNUREF) in connection with the refinancing of certain housing and office space projects.

b. Christopher Newport University is further authorized to enter into, continue, extend or amend written agreements with CNUEF or CNUREF to support such facilities including agreements to (i) lease all or a portion of such facilities from CNUEF or CNUREF, (ii) include such facilities in the University's building inventory, (iii) manage the operation and maintenance of the facilities, including collection of any rental fees from University students in connection with the use of such facilities, and (iv) otherwise support the activities at such facilities

consistent with law, provided that the University shall not be required to take any action that would constituting a breach of the University's obligation under any documents or instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

4. Radford University

a. Subject to the provisions of this act, the General Assembly authorizes Radford 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 Board Guidelines issued pursuant to § 23.1-1106 C.1.d, Code of Virginia.

b. The General Assembly authorizes Radford University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. Radford University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

c. The General Assembly further authorizes Radford University to enter into a written agreement with the public or private entity for the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

5. University of Mary Washington

a. Subject to the provisions of this act, the General Assembly authorizes the University of Mary Washington to enter into a written agreement or agreements with the University of Mary Washington Foundation (UMWF) to support student housing projects and/or operational-related or other facilities through alternative financing agreements including public-private partnerships and leasehold financing arrangements.

b. The University of Mary Washington is further authorized to enter into written agreements with UMWF to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's students housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) seek to obtain police power over the student housing as provided by law; and (v) otherwise support the students housing facilities consistent with law, provided that the University's obligation under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

c. The General Assembly further authorizes the University of Mary Washington to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional student housing and/or operational-related facilities. The facility or facilities may or may not be located on property owned by the Commonwealth. The University of Mary Washington is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenue bonds issued by or for UMWF will provide construction and/or permanent financing.

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 University of Mary Washington Foundation (UMWF) which will develop and use the land for the purpose of developing and establishing residential housing for students, faculty, or staff, recreational, athletic, and/or operational related facilities including office, retail and commercial, student services, or other auxiliary activities.

6. Norfolk State University

a. Subject to the provisions of this act, the General Assembly authorizes Norfolk State University to enter into a written agreement or agreements with a Foundation of the University for the development of one or more student housing projects on or adjacent to campus, subject to the conditions outlined in the Public-Private Education Facilities Infrastructure Act of 2002.

b. Norfolk State University is further authorized to enter into written agreements with a Foundation of the University to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's student housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) restrict construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and (vi) otherwise support the student housing facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

7. Northern Virginia Community College - Alexandria Campus

The General Assembly authorizes Northern Virginia Community College, Alexandria Campus to enter into a written agreement either with its affiliated foundation or a private contractor to construct a facility to provide on-campus housing on College land to be leased to said foundation or private contractor for such purposes. Northern Virginia Community College, Alexandria Campus, is also authorized to enter into a written agreement with said foundation or private contractor for the support of such student housing facilities and management of the operation and maintenance of the same.

8. Virginia State University

a. Subject to the provisions of this act, the General Assembly authorizes Virginia State University (University) to enter into a written agreement or agreements with the Virginia State University Foundation (VSUF), Virginia State University Real Estate Foundation (VSUREF), and other entities owned or controlled by the university for the development, design, construction, financing, and management of a mixed-use economic development corridor comprising student housing, parking, and dining facilities through alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.

b. Virginia State University is further authorized to enter into a written agreement with the VSUREF, VSUF, and other entities owned or controlled by the university for the support of such a mixed-use economic development corridor comprising student housing, parking, and dining facilities by including these projects in the university's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students and/or operations to the facility or facilities in preference to other university facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the university

shall not be required to take any action that would constitute a breach of the university's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia.

9. College of William and Mary

a. Subject to the provisions of this act, the General Assembly authorizes the College of William and Mary, with the approval of the Governor, to explore and evaluate alternative financing scenarios to provide additional parking, student or faculty/staff housing, recreational, athletic and/or operational related facilities. The project 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.I. (d), Code of Virginia.

b. The General Assembly authorizes the College of William and Mary to enter into written agreements with public or private entities to design, construct, and finance a facility or facilities to provide additional parking, student or faculty/staff housing, recreational, athletic, and/or operational related facilities. The facility or facilities may be on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. The College of William and Mary is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facility.

c. The General Assembly further authorizes the College of William and Mary to enter into written agreements with the public or private entities for the support and operation of such parking, student or faculty/staff housing, recreational, athletic, and /or operational related facilities by including the facilities in the College's facility inventory and managing their operation and maintenance including the assignment of parking authorizations, students, faculty or staff, and operations to the facility in preference to other university facilities, limiting construction of competing projects, and by otherwise supporting the facilities consistent with law, provided that the Collage shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the College or the Commonwealth of Virginia.

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 and Mary Real Estate Foundation (WMREF) which will develop and use the land for the purpose of developing and establishing residential housing for students, faculty, or staff, recreational, athletic, and/or operational related facilities including office, retail and commercial, student services, or other auxiliary activities.

10. The following individuals, and members of their immediate family, may not engage in an alternative financing arrangement with any agency or institution of the Commonwealth, where the potential for financial gain, or other factors may cause a conflict of interest:

a. A member of the agency or institution's governing body;

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. 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.

K. Any capital project that has received a supplemental appropriation due to cost overruns must 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 Department of General Services, with the cooperation and support of the Workers' Compensation Commission, is hereby directed to manage acquisition or, construction, or leasing under a capital lease of a new headquarters facility for the commission out of such funds appropriated for such purposes by Item C-38.10, Chapter 1, 2014 Special Session I. Upon completion of the new facility, the department shall transfer the existing headquarters facility located at 1000 DMV Drive in Richmond, Virginia to the Science Museum of Virginia.

P. The Director, Department of Planning and Budget, in consultation with the Six-Year Capital Outlay Plan Advisory Committee, is authorized to transfer 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 Special Session I Acts of Assembly
17776	State Agency Capital Account	Enactment Clause 2, § 2, Chapter 1, 2008 Special Session I Acts of Assembly
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	Item C-86, Chapter 890, 2011 Acts of Assembly

	Conservation	
17967	Capital Outlay Project Pool	Item C-38.10, Chapter 3, 2012 Special Session I Acts of Assembly; amended by: Item C-38.10, Chapter 806, 2013 Acts of Assembly; by Item C-38.10, Chapter 1, 2014 Special Session I Acts of Assembly; Item C-43, Chapter 2, 2014 Special Session I Acts of Assembly; 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 Special Session I Acts of Assembly; Item C-46.10, Chapter 2, 2014 Special Session I Acts of Assembly, Item 46.10, Chapter 665, 2015 Acts of Assembly, and Item C-46, Chapter 2, 2018 Acts of Assembly, Special Session I.
18196	Capital Outlay Renovation Pool	Item C-46.15, Chapter 665, 2015 Acts of Assembly; amended by: Item C-46.10, Chapter 854, 2019 Acts of Assembly.
18300	2016 VPBA Capital Construction Pool	§ 1, Chapters 759 and 769, 2016 Acts of Assembly; amended by: Item C-47, Chapter 2, 2018 Acts of Assembly, Special Session I.
18301	2016 VCBA Capital Construction Pool	§ 2, Chapters 759 and 769, 2016 Acts of Assembly; amended by: Item C-48, Chapter 2, 2018 Acts of Assembly, Special Session I.
18371	2018 Capital Construction Pool	Item C-45, Chapter 2, 2018 Acts of Assembly, Special Session I; amended by: Item C-45, Chapter 854, 2019 Acts of Assembly.
18382	Supplemental funding: Capitol Complex Infrastructure and Security	Item C-51.50, Chapter 2, 2018 Acts of Assembly, Special Session I; amended by: Item C-51.50, Chapter 854, 2019 Acts of Assembly.
18408	2019 Capital Construction Pool	Item C-48.10, Chapter 854, 2019 Acts of Assembly.

EXECUTIVE DEPARTMENT

OFFICE OF ADMINISTRATION

§ 2-1. DEPARTMENT OF GENERAL SERVICES (194)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
C-1. Not set out.				
C-1.10 Not set out.				
C-2. Omitted.				
Total for Department of General Services.....			**$15,600,000**	**$0**
Fund Sources: Bond Proceeds.....	$15,600,000	$0		
TOTAL FOR OFFICE OF ADMINISTRATION.....			**$15,600,000**	**$0**
Fund Sources: Bond Proceeds.....	$15,600,000	$0		

OFFICE OF AGRICULTURE AND FORESTRY

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
C-2.10 Not set out.				
TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY.....			**$0**	**$4,270,000**
Fund Sources: Special.....	$0	$4,270,000		

OFFICE OF EDUCATION

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
C-3. Not set out.				
C-3.10 Not set out.				
C-4. Not set out.				

C-5. Not set out.

§ 2-2. GEORGE MASON UNIVERSITY (247)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-6. Not set out.				
C-6.10 Not set out.				
C-6.20 New Construction: School of Conflict Analysis Facilities (18497).....			$0	$8,000,000
Fund Sources: Higher Education Operating.....	$0	$4,000,000		
Bond Proceeds.....	$0	$4,000,000		

A. The Virginia College Building Authority, pursuant to § 23.1-1200 et seq. of the Code of Virginia, is authorized to issue bonds in a principal amount not to exceed $4,000,000 plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other financing expenses, to finance the capital costs of the project for which the appropriation in this item is provided.

B. Debt service on bonds issued under the authorization in this Item shall be provided from appropriations to the Treasury Board.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for George Mason University.....			$5,381,000	~~$7,500,000~~ **$15,500,000**
Fund Sources: Higher Education Operating.....	$0	~~$7,500,000~~ $11,500,000		
Bond Proceeds.....	$5,381,000	~~$0~~ $4,000,000		

§ 2-3. JAMES MADISON UNIVERSITY (216)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-7. Not set out.				
C-8. Omitted.				
C-8.10 Not set out.				
Total for James Madison University.....			$3,000,000	$310,000
Fund Sources: Higher Education Operating.....	$3,000,000	$310,000		
C-8.50 Not set out.				
C-8.60 Not set out.				
C-9. Not set out.				
C-10. Not set out.				
C-10.10 Not set out.				
C-10.20 Not set out.				
C-11. Not set out.				
C-11.10 Not set out.				
C-11.20 Not set out.				
C-11.50 Not set out.				
C-11.60 Not set out.				
C-12. Not set out.				

§ 2-4. UNIVERSITY OF VIRGINIA (207)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-13. Not set out.				
C-13.05 Improvements: Alderman Library Renewal (18331).....			$0	$13,695,000
Fund Sources: Bond Proceeds.....	$0	$13,695,000		
Total for University of Virginia.....			$31,441,000	~~$10,200,000~~ **$23,895,000**
Fund Sources: Bond Proceeds.....	$31,441,000	~~$10,200,000~~ $23,895,000		

C-13.10 Not set out.
C-13.20 Not set out.
C-14. Not set out.
C-15. Not set out.
C-16. Not set out.
C-16.10 Not set out.
C-16.20 Not set out.
C-16.30 Not set out.

§ 2-5. VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (208)

	Item Details($)		Appropriati	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Yea FY2020
C-17. Not set out.				
C-18. Improvements: Improve Student Wellness Facilities (18357).....			$63,000,000	~~$0~~ $9,500,00
Fund Sources: Higher Education Operating.....	$13,310,000	$0		
Bond Proceeds.....	$49,690,000	~~$0~~ $9,500,000		
C-19. Not set out.				
C-20. Not set out.				
C-20.10 Not set out.				
C-20.20 Not set out.				
Total for Virginia Polytechnic Institute and State University.....			**$113,066,000**	**~~$354,000,0~~ $363,500,0**
Fund Sources: Higher Education Operating.....	$27,177,000	$117,000,000		
Bond Proceeds.....	$85,889,000	~~$237,000,000~~ $246,500,000		
C-21. Not set out.				
C-21.10 Not set out.				
C-21.50 Not set out.				
C-21.75 Not set out.				
C-22. Not set out.				
C-22.10 Not set out.				

§ 2-6. ROANOKE HIGHER EDUCATION AUTHORITY (935)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-22.50 Create Oliver Hill Courtyard (18411).....			$328,000	~~$0~~ $120,000
Fund Sources: General.....	$328,000	~~$0~~ $120,000		
Total for Roanoke Higher Education Authority			$328,000	**~~$0~~ $120,000**
Fund Sources: General.....	$328,000	~~$0~~ $120,000		
TOTAL FOR OFFICE OF EDUCATION.....			**$288,251,000**	**~~$407,016,000~~ $438,331,000**
Fund Sources: General.....	$703,000	~~$2,326,000~~ $2,446,000		
Special.....	$629,000	$0		
Higher Education Operating.....	$50,925,000	~~$136,873,000~~ $140,873,000		
Dedicated Special Revenue.....	$0	$9,000,000		
Bond Proceeds.....	$235,994,000	~~$258,817,000~~ $286,012,000		

OFFICE OF HEALTH AND HUMAN RESOURCES

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-23. Not set out.				
TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES.....			**$9,400,000**	**$0**

Fund Sources: Bond Proceeds.....	$9,400,000	$0		

OFFICE OF NATURAL RESOURCES

§ 2-7. DEPARTMENT OF CONSERVATION AND RECREATION (199)

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
C-24. Omitted.				
C-25. Not set out.				
C-26. Not set out.				
C-27. Not set out.				
C-27.10 Not set out.				
C-27.20 Not set out.				
Total for Department of Conservation and Recreation.....			**$7,628,766**	**$8,538,164**
Fund Sources: General.....	$120,000	$0		
Special.....	$1,957,335	$3,238,500		
Dedicated Special Revenue.....	$4,051,431	$600,000		
Federal Trust.....	$1,500,000	$4,699,664		
C-28. Not set out.				
C-29. Not set out.				
C-30. Not set out.				
C-31. Not set out.				
C-32. Not set out.				
TOTAL FOR OFFICE OF NATURAL RESOURCES.....			**$17,028,766**	**$18,938,164**
Fund Sources: General.....	$120,000	$0		
Special.....	$1,957,335	$3,238,500		
Dedicated Special Revenue.....	$6,951,431	$3,750,000		
Federal Trust.....	$8,000,000	$11,949,664		

OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY

	Item Details($)		Appropriations($)	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
C-32.50 Omitted.				

§ 2-8. DEPARTMENT OF MILITARY AFFAIRS (123)

	Item Details($)		Appropriations($	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Year FY2020**
C-33. Not set out.				
C-33.10 Acquisition: Acquire Land for Readiness Centers (18309).....			$0	$3,250,000
Fund Sources: Bond Proceeds.....	$0	$3,250,000		
Total for Department of Military Affairs.....			**$3,000,000**	~~**$12,000,000**~~ **$15,250,000**
Fund Sources: Federal Trust.....	$0	$9,000,000		
Bond Proceeds.....	$3,000,000	~~$3,000,000~~ $6,250,000		
C-34. Not set out.				
C-34.10 Not set out.				
C-34.20 Not set out.				
C-34.30 Not set out.				
TOTAL FOR OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY.....			**$3,725,000**	~~**$57,844,000**~~ **$61,094,000**
Fund Sources: General.....	$725,000	$0		
Federal Trust.....	$0	$9,000,000		
Bond Proceeds.....	$3,000,000	~~$48,844,000~~ $52,094,000		

OFFICE OF TRANSPORTATION

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-34.50 Not set out.				
C-35. Not set out.				
C-36. Not set out.				
C-37. Not set out.				
C-38. Not set out.				
C-39. Not set out.				
C-40. Not set out.				
C-40.10 Not set out.				
TOTAL FOR OFFICE OF TRANSPORTATION....			$416,010,000	$90,250,000
Fund Sources: Special.....	$63,000,000	$57,250,000		
Commonwealth Transportation.....	$3,010,000	$33,000,000		
Bond Proceeds.....	$350,000,000	$0		

OFFICE OF VETERANS AND DEFENSE AFFAIRS

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-41. Not set out.				
TOTAL FOR OFFICE OF VETERANS AND DEFENSE AFFAIRS.....			$4,500,000	$0
Fund Sources: Federal Trust.....	$4,500,000	$0		

CENTRAL APPROPRIATIONS

§ 2-9. CENTRAL CAPITAL OUTLAY (949)

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-42. Not set out.				
C-43. Not set out.				
C-43.50 Planning: Replace Central State Hospital (18391)...			$3,000,000	$0
Fund Sources: Special.....	$3,000,000	$0		

A. The Department of Behavioral Health and Developmental Services (DBHDS) and the Department of General Services (DCS) shall develop and deliver a plan to provide capital project options for a new Central State Hospital.

B. The Department of General Services (DGS) shall analyze and include phasing options in the DBHDS plan as part of the detailed planning process.

C. Project budgeting estimates pursuant to this item shall be delivered to the Governor, Chairmen of the House Appropriations and Senate Finance Committees, and the Six-Year Capital Outlay Plan Advisory Committee (§ 2.2-1516) by December 1, 2018.

D. DBHDS shall be reimbursed for all nongeneral funds used when the project is funded to move into the construction phase.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-44. Omitted.				
C-44.10 Not set out.				
C-44.20 Omitted.				
C-45. Not set out.				
C-46. Comprehensive Capital Outlay Program (18049)			$21,066,000	$0
Fund Sources: Bond Proceeds.....	$21,066,000	$0		

A. In addition to the amounts previously authorized in Item C-39.40, Chapter 806, 2013 Acts of Assembly and in Item C-48.50, Chapter 836, 2017 Acts of Assembly, the Virginia College Building Authority, pursuant to § 23.1-1200 et seq., Code of Virginia, is authorized to issue bonds in a principal amount not to exceed $21,066,000, plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other financing expenses, to finance the capital costs of the project described in paragraph C. of this Item.

B. Debt service on the bonds issued under the authorization in this Item shall be provided from appropriations to the Treasury Board.

C. Included in the appropriation for this Item is $21,066,000 in bond proceeds the first year to supplement the funding for the following project previously authorized in Item C-39.40, Chapter 806, 2013 Acts of Assembly:

247-George Mason University Construct Life Sciences Building, Prince William (18000)

D. The title of this project is hereby changed to "Construct Life Sciences and Engineering Building/Renovate Bull Run Hall ~~IIIB Addition~~ , Prince William (18000)".

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-46.10 Not set out.				
C-47. 2016 VPBA Capital Construction Pool (18300)			$13,500,000	~~$0~~ $12,000,000
Fund Sources: Bond Proceeds.....	$13,500,000	~~$0~~ $12,000,000		

A. In addition to the amounts previously authorized in Enactment 1, § 1 A. of Chapters 759 and 769, 2016 Acts of Assembly, the Virginia Public Building Authority, pursuant to § 2.2-2260 et seq., Code of Virginia, is authorized to issue bonds in a principal amount not to exceed ~~$13,500,000~~ $25,500,000, plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other financing expenses, to finance the costs of the project described in paragraph C. of this Item.

B. Debt service on bonds issued under the authorization in this Item shall be provided from appropriations to the Treasury Board.

C. Included in the appropriation for this Item is $7,500,000 in bond proceeds the first year for the following project:

199-Department of Conservation Renovate Various Cabins (18265)

D. The title and scope of the capital project for the Department of Forensic Science, titled, "Expand Central Forensic Laboratory and Office of the Chief Medical Examiner Facility," authorized in Enactment 1, § 1 A. of Chapters 759 and 769 of the 2016 Acts of Assembly, is hereby changed to "Expand and Renovate Current or Construct New Central Forensic Laboratory and Office of the Chief Medical Examiner at its current site or another site that is determined by the Department to be more cost effective and operationally efficient."

E. The project previously authorized in Enactment 9 of Chapters 759 and 769, 2016 Acts of Assembly, Renovate the Post Library as a Visitor Center for Fort Monroe, is hereby included in the amounts authorized in Item C-43, D 1 of Chapter 665 of the Acts of Assembly of 2015.

F. 1. The title and scope of the capital project for the Department of Juvenile Justice (DJJ), titled, "Construct New Juvenile Correctional Center, Chesapeake," authorized in Enactment 1, § 1 A. of Chapters 759 and 769 of the 2016 Acts of Assembly, is hereby changed to "Construct New Juvenile Correctional Center~~; Isle of Wight~~".

2. a. The Department of General Services (DGS), with the cooperation of the Department of Juvenile Justice (DJJ), ~~shall construct the New Juvenile Correctional Center, Isle of Wight project authorized in F.1. The project is authorized as a 60 bed facility. DJJ will provide DGS facility program information and assistance as requested.~~ is authorized to proceed with the design and construction of this juvenile correctional center to the extent feasible, on state-owned property and with no more than 60 beds, that is cost effective to develop, and best suited to achieve DJJ's operational needs.

b. The capital project for the Department of Juvenile Justice, titled, "Renovate or Construct Juvenile Correctional Center, authorized in Enactment 4, § 1 A. of Chapters 759 and 769 of the 2016 Acts of Assembly is hereby rescinded.

c. The provisions of Enactment 4, § 1 B. of Chapters 759 and 769 of the 2016 Acts of Assembly are hereby rescinded.

3.a. DCS shall determine options for a second DJJ Juvenile Correctional Center to be located in Central Virginia. However, the property located in Central Virginia consisting of approximately 427.97 acres along Old Bon Air Road and Rockaway Road in the Midlothian Magisterial District of Chesterfield County, Virginia, having a street address of 1900 Chatsworth Avenue, Bon Air, Virginia, and further designated as Chesterfield County Tax Parcel No. 752713101100000, shall be excluded from any option or consideration as a Central Virginia DJJ Juvenile Correctional Center location. DCS shall report location options for a Central Virginia DJJ Juvenile Correctional Center to the Chairmen of the House Appropriations, Senate Finance Committees and the Governor by October 31, 2018.

b. DCS, working with Chesterfield County, Virginia, shall determine a fair market value and the highest and best use of the DJJ site identified in 3.a of this section and report its preliminary findings to the Chairmen of House Appropriations, Senate Finance Committees, and the Governor by December 1, 2018.

c. In addition, the Department of General Services shall determine the highest and best use for the property located at 3500 Beaumont Road in Powhatan County. In determining such use DGS shall (i) estimate revenues and costs from any sale or development of the entire property or any portion thereof, and (ii) the viability of various options for potential use of the property by the Department of Corrections (DOC), Department of Conservation and Recreation (DCR), and/or DJJ, DOC, DCR, and DJJ will provide DGS information and assistance, if requested. DGS shall provide the results of its study to the Chairmen of the House Appropriations, Senate Finance Committees, and Governor by October 31, 2018.

d. All costs incurred by DGS to perform the requirements in item F., and all subsections under F., shall be funded by the capital project authorized in F.1.

e. Should the property identified in 3a. be sold by the Commonwealth, any proceeds received from a sale shall be used to offset the capital costs of a DJJ Central Virginia Juvenile Correctional Center location.

G. The amounts provided by this item and Enactment 1, § 1 A. of Chapters 759 and 769 of the 2016 Acts of Assembly include funding for the development of Clinch River State Park by the Department of Conservation and Recreation.

H. The title and scope of the project, "Renovate Roanoke Readiness Center," for the Department of Military Affairs, authorized for detailed planning in Enactment 4, § 1 of Chapters 759 and 769, 2016 Acts of Assembly is hereby changed to "Construct Roanoke Readiness Center and Combined Support Maintenance Shop". The scope of this project is hereby expanded to include all planned phases of the overall project: ~~(1)~~ renovation ~~of four existing buildings~~, demolition, and ~~(2)~~ construction of certain buildings, to include a

new readiness center ~~addition,~~ and ~~(3)~~ construction of a combined support maintenance shop~~, as set out in the capital budget project request submitted by the Department of Military Affairs for the 2018-2020 budget~~.

I. The Director, Department of Planning and Budget, may transfer any unutilized appropriation and bond authorization from the the project "Replace Western State Hospital" for the Department of Behavioral Health and Developmental Services, authorized in Enactment 2, § 1 A. of Chapter 1, 2008 Acts of Assembly, Special Session I, to the project "Expand Western State Hospital," authorized in Enactment 1, § 1 A. of Chapters 759 and 769 of the 2016 Acts of Assembly.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-48. 2016 VCBA Capital Construction Pool (18301)			$43,883,000	~~$0~~ $34,022,736
Fund Sources: Bond Proceeds.....	$43,883,000	~~$0~~ $34,022,736		

A. In addition to the amount previously authorized in Enactment Clause 1, §2 of Chapters 759 and 769, 2016 Acts of Assembly, the Virginia College Building Authority, pursuant to § 23.1 1200 et seq. of the Code of Virginia, is authorized to issue bonds in a principal amount not to exceed ~~$43,883,000,~~ $77,905,736 plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other financing expenses, to finance the capital costs of projects authorized in Enactment Clause 1, § 2 of Chapters 759 and 769, 2016 Acts of Assembly.

B. Debt service on the bonds issued under the authorization of this Item shall be provided from appropriations to the Treasury Board.

C. There is hereby appropriated $43,883,000 $77,905,736 in bond proceeds for the projects authorized in Enactment Clause 1, § 2 of Chapters 759 and 769, 2016 Acts of Assembly. Of this amount, $883,000 is allocated for the following project authorized in that section:

948-Southwest Virginia Higher Education Center Construct Service Corridor, Storage Area; Replace Generator (18126)

D. 1. The title and scope of the project previously authorized in Enactment 1, §2 of Chapters 759 and 769, 2016 Acts of Assembly, as "Construct Service Corridor, Storage Area, Replace Generator" are hereby changed to "Construct Building Expansion and Replace Generator" in order to provide an expanded scope, including additional space that may be used as office or storage space, with total square footage of approximately 6,400 square feet.

2. The scope of the project previously authorized in Enactment 1, §2 of Chapters 759 and 769, 2016 Acts of Assembly, as "Christopher Newport University, Construct and Renovate Fine Arts and Rehearsal Space reflects 105,040 gross square feet to include 88,060 gross square feet of new construction and 16,980 gross square feet of renovation. Of the amount provided in Paragraph C. of this Item, $4 million is allocated to this project to cover current scope and cost.

3. The title and scope of the project previously authorized in Enactment 1, §2 of Chapters 759 and 769, 2016 Acts of Assembly, as "Virginia Institute of Marine Science, Replace Mechanical Systems and Repair Building Envelope of Chesapeake Bay Hall" are hereby changed to "Virginia Institute of Marine Science, Construct New Research Facility" in order to replace the existing Chesapeake Hall, for which a renovation is no longer a viable alternative, with a comparable sized new facility. Additional funding for this revised scope and cost is contained in Paragraph C. of this item.

E. Virginia Commonwealth University is authorized to utilize nongeneral funds, to be reimbursed should construction funding be approved, to develop Detailed Plans for the STEM Building which consists of the STEM Class Laboratory Building, authorized in Chapter 759 and 769 (2016), and the Humanities and Sciences Phase II, Admin and Classroom Building, as a single facility. The proposed buildings will be located adjacent to each other on the site of the existing Franklin Street Gymnasium.

F. The title of the project, "Renovate Diggs/Moore/Harrison Complex, Hampton, Thomas Nelson," for the Virginia Community College System, authorized for detailed planning in Enactment 4, § 1 of Chapters 759 and 769, 2016 Acts of Assembly, is changed to "Replace Diggs/Moore/Harrison Complex, Hampton, Thomas Nelson.

G. The scope of the project previously authorized in Enactment 1, §2 of Chapters 759 and 769, 2016 Acts of Assembly, as "Virginia Community College System, Construct Academic Building, Fauquier Campus, Lord Fairfax" is hereby changed to include chemistry and biology laboratory space, a nursing skills laboratory space, nursing and operating room simulation laboratory space, and cadaver laboratory space. Additional funding for this revised scope is included in paragraph C. of this Item.

H. Out of the amounts included in paragraph C. of this Item, a supplement of $16,660,000 is provided to cover unanticipated costs associated with the The College of William and Mary project "Construct Fine and Performing Arts Facility, Phases I & II", authorized in Enactment 1, §2 of Chapters 759 and 769, 2016 Acts of Assembly.

I. Out of the amounts included in paragraph C. of this Item, a supplement of $6,197,736 is provided to cover unanticipated costs associated with the University of Mary Washington project "Renovate Seacobeck Hall", authorized in Enactment 1, §2 of Chapters 759 and 769, 2016 Acts of Assembly.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-48.10 New Construction: 2019 Capital Construction Pool (18408).....			$0	$753,562,000
Fund Sources: General.....	$0	$830,000		
Special.....	$0	$10,516,000		
Higher Education Operating.....	$0	$20,000,000		
Bond Proceeds.....	$0	$722,216,000		

A. 1. The capital projects in paragraph C of this Item are hereby authorized and may be financed in whole or in part through bonds of the Virginia College Building Authority pursuant to § 23.1-1200 et seq., Code of Virginia, or the Virginia Public Building Authority

pursuant to § 2.2-2263 et seq., Code of Virginia. Bonds of the Virginia College Building Authority issued to finance these projects may be sold and issued under the 21st Centry College Program at the same time with other obligations of the Authority as separate issues or as a combined issue. The aggregrate principal amounts shall not exceed $722,216,000 plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other financing expenses, in accordance with § 2.2-2263, Code of Virginia.

2. From the list of projects included in paragraph C of this Item, the Director, Department of Planning and Budget, shall provide to the Chairmen of the Virginia College Building Authority and the Virginia Public Building Authority the specific projects, as well as the amounts for these projects, to be financed by each authority within the dollar limit established by this authorization.

3. Debt service on the projects contained in this Item shall be provided from appropriations to the Treasury Board.

4. The appropriations for the capital projects in this Item are subject to the conditions in § 2.0 F. of this act.

B. In addition to the appropriation and bond authorization authorized by this Item, the Director, Department of Planning and Budget, shall transfer unutilized Virginia College Building Authority (VCBA) and Virginia Public Building Authority (VPBA) bond authorization and appropriation from the projects listed below, in the amounts shown, to this project for funding the projects listed in paragraph C:

Agency No.	Project No.	Issuing Authority	Initial Authorization	Amount
207	17476	VCBA	Chapter 1, Enactment 2, Section 3, 2008 Acts of Assembly, Special Session I	$4,080,667
215	17670	VCBA	Chapter 1, Enactment 2, Section 3, 2008 Acts of Assembly, Special Session I	$1,374,605
247	16607	VCBA	Item C-85.10, Chapter 874, 2010 Acts of Assembly	$1,120,047
260	16836	VCBA	Item C-182.10, Chapter 781, 2009 Acts of Assembly	$111,398
260	17379	VCBA	Item C-326.30, Chapter 847, 2008 Acts of Assembly	$401,727
912	18319	VPBA	Item C-43.50, Chapter 836, 2017 Acts of Assembly	$10,000,000

C. There is hereby appropriated $677,216,000 the second year from bond proceeds of the Virginia College Building Authority or the Virginia Public Building Authority, $830,000 from the general fund and $30,516,000 from nongeneral funds to provide funds for the construction and other capital costs of the following projects:

Agency Code	Agency Title	Project Title
194	Department of General Services	Renovate Parking Deck, Main Street Centre
194	Department of General Services	Improve Capitol Campus Utilities
194	Department of General Services	Acquisition of the VEC Building
194	Department of General Services	Replace Central State Hospital
199	Department of Conservation and Recreation	Construct Cabins, Breaks Interstate Park
207	University of Virginia	Alderman Library Renewal
211	Virginia Military Institute	Construct Corps Physical Training Facility Phase 3 (Aquatic Center)
212	Virginia State University	Demolish / Replace Daniel Gym and Demolish Harris Hall, Phase I
214	Longwood University	Replace Major HVAC System Components
216	James Madison University	Renovate Jackson Hall
221	Old Dominion University	Address Maintenance Needs in Kaufman Hall and Mills Godwin Building
236	Virginia Commonwealth University	Construct STEM Teaching Laboratory Building
238	Virginia Museum of Fine Arts	Replace Life and Safety Systems
238	Virginia Museum of Fine Arts	Repair the Museum Building Envelope
241	Richard Bland College	Acquire and Install New Generator at the Library
247	George Mason University	Improve IT Network Infrastructure
268	Virginia Institute of Marine Science	Replace Oyster Hatchery
417	Gunston Hal	Upgrade Fire Suppression System and Improve Security
720	Department of Behavioral Health and Developmental Services Renovate	Eastern State Hopsital Kitchen
777	Department of Juvenile Justice	Repair Life Safety Systems and Upgrade Electrical Systems, Bon Air
799	Department of Corrections	Replace Appalachian and Wise Wastewater Treatment Plants
799	Department of Corrections	Construct James River Wastewater Pump Station

D. 1. From the proceeds of bonds authorized to be issued by the Virginia Public Building Authority in paragraph A of this Item, there is hereby appropriated a ~~one-time and final~~ payment of $25,000,000 in the second year for the Combined Sewer Overflow Matching Fund, established pursuant to § 62.1-242.12, Code of Virginia and administered by the Department of Environmental Quality. These bond proceeds shall be used by the Virginia Resources Authority and the State Water Control Board to make a grant to the City of Alexandria to pay a portion of the capital costs of its combined sewer overflow control project. Disbursements from these proceeds shall be authorized by the State Water Control Board, under the authority of the Department of Environmental Quality, and administered by the Virginia Resources Authority through the Combined Sewer Overflow Matching Fund.

2. This appropriation is subject to the conditions of § 2.0 F of this act.

3. Except as provided in paragraph D.2 of this Item, 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 the project supported in this Item.

E. Funding for the Department of General Services' project to Improve Capitol Campus utilities shall not be released until the department and the City of Richmond have signed an agreement allowing the state to work on any needed improvements to the utilities running through Capitol Square, including a methodology in the agreement that provides for the state's utility bills to be adjusted to offset the state's expenditures for any improvements to the water lines.

F. Out of the amounts provided in this Item, $10,000,000 the second year from bond proceeds is designated for lab renovations and enhancements and / or research equipment related to higher education research for the Hampton Roads Biomedical Research Consortium created in Item 475.10.

G. Stormwater Local Assistance Fund. From the appropriation and bond authorization provided in this Item, up to $10,000,000 of the bond proceeds shall be provided to the Department of Environmental Quality for the Stormwater Local Assistance Fund, established in accordance with the provisions of Item 368 of this act. In accordance with the purpose of the Fund set out in Item 368, the bond proceeds shall be used to provide grants solely for capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the State Water Control Board under the authority of the Department of Environmental Quality.

H. Out of the amounts provided in Paragraph C of this item, the Department of General Services is authorized funding for the defeasance of the federal equity in the the Virginia Employment Commission site located at 703 E. Main Street, Richmond, Virginia, to enable transfer of title to that site to the Commonwealth of Virginia, Department of General Services to be included in the Department of General Services statewide building management program.

I. 1. Funding provided in paragraph C of this Item for the Department of General Services' project to Replace Central State Hospital is to replace the Department of Behavioral Health and Developmental Services' Central State Hospital at its current location in Petersburg, Virginia. Funding is included to complete the design, construction, and provision of furniture, fixtures, and equipment for a facility that includes 111 maximum security beds, 141 civil beds, and the associated program and support facilities identified in the Central State Hospital pre-planning study delivered to the General Assembly in December 2018 pursuant to Item C-43.50 of this act.

2. The Department of Behavioral Health and Developmental Services may consider potential future phasing options for the new Central State Hospital beyond the scope authorized in subparagraph 1.1 of this Item for the Central State Hospital replacement in its plan that is proposed pursuant to Item 310 CC. of this act.

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-49. Not set out.				
C-49.10 Not set out.				
C-49.20 Not set out.				

C-50. A. The Virginia Public Building Authority, pursuant to § 2.2-2260 et seq. of the Code of Virginia, is authorized to issue bonds in a principal amount not to exceed ~~$91,681,000~~ $94,931,000 plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other financing expenses, to finance the capital costs of the projects described in paragraph C. of this Item.

B. Debt service on bonds issued under the authorization in this Item shall be provided from appropriations to the Treasury Board.

C. The appropriations for the following authorized projects are contained in the appropriation Items listed:

Agency Name/Project Title	Project Code	Item	VPBA Bonds
Department of Military Affairs (123)			
Improve Readiness Centers	18369	C-33	$6,000,000
Acquire Land for Readiness Centers	18309	C-33.10	$3,250,000
Department of State Police			
Upgrade Statewide Radio System (STARS) Network	18414	C-34.10	$40,000,000
Refresh Commonwealth Link to Interoperable Communications (COMLINC) System	18415	C-34.20	$5,844,000
Department of General Services (194)			
Monroe Building Critical Systems Replacements	18368	C-l	$13,600,000
Security Improvements for North Drive	18420	C-1.10	$2,000,000
Capitol Complex Infrastructure and Security	18081	C-51.50	$11,820,000
Virginia School for the Deaf and the Blind (218)			
Make System Infrastructure Repairs and Improvements	18370	C-3	$2,000,000
Expand Emergency Generator System	18417	C-3.10	$1,017,000
Department of Behavioral Health and Developmental Services (720)			
Address Patient and Staff Safety Issues at State Facilities	18365	C-23	$9,400,000
Total VPBA Bonds			~~$01,681,000~~ $94,931,000

	Item Details($)	Appropriations($)

	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
C-51. Not set out.				
C-51.50 Not set out.				
Total for Central Capital Outlay.....			$501,903,936	~~$966,954,436~~ $1,012,977,172
Fund Sources: General.....	$0	$830,000		
Special.....	$3,000,000	$10,516,000		
Higher Education Operating.....	$0	$20,000,000		
Bond Proceeds.....	$498,903,936	~~$935,608,436~~ $981,631,172		
C-52. Not set out.				

§ 2-10. 9(D) REVENUE BONDS (951)

C-53. 1. This Item authorizes the capital projects listed below to be financed pursuant to Article X, Section 9(d), Constitution of Virginia.

2. The appropriations for said capital projects are contained in the appropriation Items listed below and are subject to the conditions in § 2-0 F of this act.

3. The total amount listed in this Item includes ~~$224,604,000~~ $247,889,000 in bond proceeds.

Agency Name/Project Title	Item #	Project Code	Section 9(d) Bonds
College of William and Mary (204)			
Construct the Sadler Center West Addition	C-4	18360	$37,742,000
University of Virginia (~~268~~ 207)			
Renovate Gilmer Hall and Chemistry Building	C-13	18082	$31,441,000
Renew Alderman Library	C-13.05	18331	$13,695,000
Virginia Polytechnic Institute and State University (208)			
Renovate O'Shaughnessy Hall	C-17	18356	$12,634,000
Improve Student Wellness Center	C-18	18357	$59,190,000
Construct VT Carilion Research Institute Biosciences Addition	C-19	18269	$17,765,000
Renovate Dietrick Hall, First Floor and Plaza	C-20	18358	$5,800,000
Virginia Military Institute (211)			
Turman House Renovations	C-14	18361	$2,500,000
Expand / Improve Clarkson-McKenna Press Box	C-16.20	18388	$1,500,000
University of Mary Washington (215)			
Renovate Residence Halls-Phase II	C-12	18362	$24,500,000
Old Dominion University (221)			
Construct Student Health and Wellness Addition	C-11.20	18407	$9,200,000
Virginia Commonwealth University (236)			
Construct School of Engineering Research Expansion	C-13.20	18243	$6,541,000
George Mason University (247)			
Construct Utilities Distribution Infrastructure	C-6	18208	$5,381,000
Central Capital Outlay (949)			
Parking Deck Repairs-Higher Ed Institutions	C-49.20	18422	$20,000,000
Total for Nongeneral Fund Obligation Bonds 9(d)			**~~$224,694,000~~ $247,889,000**

	Item Details($)		Appropriations($)	
	First Year FY2019	Second Year FY2020	First Year FY2019	Second Year FY2020
Total for 9(D) Revenue Bonds.....			**$0**	**$0**
TOTAL FOR CENTRAL APPROPRIATIONS.....			**$501,903,936**	**~~$966,954,436~~ $1,012,977,172**
Fund Sources: General.....	$0	$830,000		
Special.....	$3,000,000	$10,516,000		
Higher Education Operating.....	$0	$20,000,000		
Bond Proceeds.....	$498,903,936	~~$935,608,436~~ $981,631,172		
TOTAL FOR EXECUTIVE DEPARTMENT.....			**$1,256,418,702**	**~~$1,545,272,600~~ $1,625,860,336**
Fund Sources: General.....	$1,548,000	~~$3,156,000~~ $3,276,000		
Special.....	$68,586,335	$75,274,500		

Higher Education Operating.....	$50,925,000	~~$156,873,000~~ $160,873,000
Commonwealth Transportation.....	$3,010,000	$33,000,000
Dedicated Special Revenue.....	$6,951,431	$12,750,000
Federal Trust.....	$12,500,000	$20,949,664
Bond Proceeds.....	$1,112,897,936	~~$1,243,269,436~~ $1,319,737,172

INDEPENDENT AGENCIES

	Item Details($)		Appropri	
	First Year FY2019	**Second Year FY2020**	**First Year FY2019**	**Second Y FY2020**
C-54. Not set out.				
TOTAL FOR INDEPENDENT AGENCIES.....			**$1,250,000**	**$0**
Fund Sources: Special.....	$1,212,780	$0		
Dedicated Special Revenue.....	$37,220	$0		
TOTAL FOR PART 2: CAPITAL PROJECT EXPENSES.....			**$1,257,668,702**	**~~$1,545,2~~ $1,625,8**
Fund Sources: General.....	$1,548,000	~~$3,156,000~~ $3,276,000		
Special.....	$69,799,115	$75,274,500		
Higher Education Operating.....	$50,925,000	~~$156,873,000~~ $160,873,000		
Commonwealth Transportation.....	$3,010,000	$33,000,000		
Dedicated Special Revenue.....	$6,988,651	$12,750,000		
Federal Trust.....	$12,500,000	$20,949,664		
Bond Proceeds.....	$1,112,897,936	~~$1,243,269,436~~ $1,319,737,172		

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.

	FY 2019	**FY 2020**
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
8. Commission on the Virginia Alcohol Safety Action Program (Special)		
For expenses incurred for care, treatment, $325 000 study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies	$325,000	~~$0~~ $400,000

TOTAL **$75,238,243 ~~$74,013,243~~ $75,313,243**

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 $115,600,000 the first year and ~~$120,128,802~~ $124,800,000 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 3-6.02 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

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 $6,208,652 the first year and ~~$6,208,652~~ $6,202,002 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 Transportation Trust Fund by the Department of Taxation estimated at $3,010,852 the first year and ~~$3,010,852~~ $2,993,308 the second year.

F.1. On or before June 30 of each year, the State Comptroller shall transfer $12,965,823 the first year and $12,965,823 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 2019	FY 2020
Administration of Health Insurance (149)	0500	$558,986	$558,986
Department of Agriculture & Consumer Services (301)	0200	$1,847	$1,847
Department of Forestry (411)	0200	$48,576	$48,576
Department of Forestry (411)	0900	$297	$297
Board of Accountancy (226)	0900	$11,302	$11,302
Department of Housing and Community Develop. (165)	0900	$306	$306
Department of Labor and Industry (181)	0200	$7,404	$7,404
Department of Professional & Occupational Regulations (222)	0200	$8,513	$8,513
Southwest Virginia Higher Ed. Center (948)	0200	$9,535	$9,535
Virginia Museum of Fine Arts (238)	0200	$24,516	$24,516
Virginia Museum of Fine Arts (238)	0500	$19,470	$19,470
Department for the Deaf and Hard-Of-Hearing (751)	0200	$13,975	$13,975
Department of Behavioral Health and Developmental Services (720)	0200	$99,048	$99,048
Department of Health (601)	0900	$152,263	$152,263
Department for Aging and Rehabilitative Services (262)	0200	$85,374	$85,374
Virginia for Health Youth Foundation (852)	0900	$23,052	$23,052
State Corporation Commission (171)	0900	$10,928	$10,928
Virginia College Savings Plan (174)	0500	$380,986	$380,986
Board of Bar Examiners (233)	0200	$5,155	$5,155
Supreme Court (111)	0900	$343,043	$343,043
Virginia State Bar (117)	0900	$56,836	$56,836
Department of Conservation and Recreation (199)	0200	$206,500	$206,500
Department of Conservation and Recreation (199)	0900	$47,612	$47,612
Department of Game and Inland Fisheries (403)	0900	$315,439	$315,439
Department of Historic Resources (423)	0900	$144	$144
Marine Resources Commission (402) Marine Resources Commission (402)	0200 0900	$26,282 $8,205	$26,282 $8,205
Virginia Museum of Natural History (942)	0200	$4,460	$4,460
Alcoholic Beverage Control Authority (999)	0500	$169	$169
Department of Criminal Justice Services (140) Department of Criminal	0200	$72,779	$72,779

Justice Services (140)	0900	$64,195	$64,195
Department of Fire Programs (960)	0200	$124,615	$124,615
Department of State Police (156)	0200	$84,399	$84,399
Department of Military Affairs (123)	0900	$13,123	$13,123
Division of Community Corrections (767)	0900	$12,874	$12,874
Innovation & Entrepreneurship Investment Authority (934)	0900	$15,383	$15,383
Department of Aviation (841)	0400	$94,028	$94,028
Department of Motor Vehicles (154)	0400	$3,728,268	$3,728,268
Department of Rail & Public Transportation (505)	0400	$680,556	$680,556
Department of Transportation (501)	0400	$5,338,860	$5,338,860
Motor Vehicle Dealer Board (506)	0200	$15,065	$15,065
Virginia Port Authority (407)	0200	$170,539	$170,539
Virginia Port Authority (407)	0400	$80,916	$80,916
		$12,965,823	**$12,965,823**

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

G.1. The State Comptroller shall transfer to the Lottery Proceeds Fund established pursuant to § 58.1-4022.1, Code of Virginia, an amount estimated at $632,398,647 the first year and ~~$628,830,501~~ $613,449,864 the second year, from the Virginia Lottery Fund. The transfer each year shall be made in two parts: (1) on or before January 1 of each year, the State Comptroller shall transfer the balance of the Virginia Lottery Fund for the first five months of the fiscal year and (2) thereafter, the transfer will be made on a monthly basis, or until the amount estimated at $632,398,647 the first year and ~~$628,830,501~~ $613,449,864 the second year has been transferred to the Lottery Proceeds Fund. Prior to June 20 of each year, the Virginia Lottery Executive Director shall estimate the amount of profits in the Virginia Lottery Fund for the month of June and shall notify the State Comptroller so that the estimated profits can be transferred to the Lottery Proceeds Fund prior to June 22.

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

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

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

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

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

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

J. The State Comptroller shall transfer to the general fund from the Revenue Stabilization Fund in the state treasury any amounts in excess of the limitation specified in § 2.2-1829, Code of Virginia.

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 $4,500,000 the first year and $4,500,000 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 $11,000,000 the first year and $11,000,000 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 $1,350,000 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 Indemnification and Community 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 $3,000,000 the first year and ~~$3,000,000~~ $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 $3,364,585 the first year and $3,864,585 the second year from operating efficiencies to be implemented by the Alcoholic Beverage Control Authority.

S.1. The State Comptroller shall transfer quarterly, one-half of the revenue received pursuant to § 18.2-270.01, of the Code of Virginia, and consistent with the provisions of § 3-6.03 of this act, to the general fund in an amount not to exceed $8,055,000 the first year~~, and $1,850,000 the second year~~ from the Trauma Center Fund contained in the Department of Health's Financial Assistance for Non Profit Emergency Medical Services Organizations and Localities (40203).

2. On or before June 30 in the second year, the State Comptroller shall transfer $5,000,000 from the general fund to the Trauma Center Fund contained in the Department of Health's Financial Assistance for Non Profit Emergency Medical Services Organizations and Localities (40203).

T. On or before June 30 each year, the State Comptroller shall transfer $600,000 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.

U. 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.

V.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 Indemnification and Community 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.

W. 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 344, 395, and 420 of this act, for the purposes enumerated in Section 17.1-275.12.

X. On or before June 30 each year, the State Comptroller shall transfer $10,518,587 the first year and $10,518,587 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).

Y. 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 $106,451 the first year and $106,451 the second year.

Z. Any amount designated by the State Comptroller from the June 30, 2018, or June 30, 2019, general fund balance for transportation pursuant to § 2.2-1514B., Code of Virginia, is hereby appropriated.

AA. The Department of General Services, with the cooperation and support of the Department of Behavioral Health and Developmental Services, is authorized to sell to Virginia Electric and Power Company, a Virginia corporation d/b/a Dominion Virginia Power, for such consideration as the Governor may approve, a parcel of land containing approximately 15 acres along the northern property line of Southside Virginia Training Center. After deduction of the expenses incurred by the Department of General Services in the sale of the property, the proceeds of the sale shall be deposited to the Behavioral Health and Developmental Services Trust Fund established pursuant to § 37.2-318, Code of Virginia. Any conveyance shall be approved by the Governor or his designee in the manner set forth in § 2.2-1150, Code of Virginia.

BB. 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.

CC. 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 no later than June 30, 2018 .

DD. The State Comptroller shall deposit an additional $300,000 to the general fund on or before June 30, 2019, and an additional $800,000 to the general fund on or before June 30, 2020, from the fees generated by the Firearms Transaction and Concealed Weapons Permit Programs at the Department of State Police.

EE.1. On or before June 30 each year, the State Comptroller shall transfer $4,414,446 the first year and $273,627 the second year to the general fund from agency nongeneral funds, as detailed below, to fund a portion of the nongeneral share of costs for the expedited repayment of deferred contributions to the Virginia Retirement System authorized in Chapter 732, 2016 Acts of Assembly.

Agency Name	**Fund Detail**	**FY 2019**	**FY 2020**
Supreme Court (111)	02800	$13,506	
Virginia State Bar (117)	09117	$132,793	
Department of Emergency Management (127)	02870	$17,828	
Department of Motor Vehicles (154)	04540	$417,507	
Department of Motor Vehicles (154)	04100	$31,425	
Wilson Workforce and Rehabilitation Center (203)	02203	$92,218	$92,217
Board of Bar Examiners (233)	02233	$11,896	
Department for Aging and Rehabilitative Services (262)	02262	$4,665	$4,667
Department for Aging and Rehabilitative Services (262)	02800	$53,670	$53,670
Department of Environmental Quality (440)	02149	$63	
Department of Environmental Quality (440)	02440	$420	
Department of Environmental Quality (440)	02450	$309	
Department of Environmental Quality (440)	02800	$6,575	
Department of Environmental Quality (440)	05100	$5048	
Department of Environmental Quality (440)	09024	$1,622	
Department of Environmental Quality (440)	09042	$5	
Department of Environmental Quality (440)	09060	$34	
Department of Environmental Quality (440)	09070	$47	
Department of Environmental Quality (440)	09080	$873	
Department of Environmental Quality (440)	09110	$1,682	
Department of Environmental Quality (440)	09190	$914	
Department of Environmental Quality (440)	09143	$2,891	
Department of Environmental Quality (440)	09250	$10	
Department of Environmental Quality (440)	09640	$454	
Department of Health (601)	02000	$163,259	
Department of Health (601)	02030	$3,873	
Department of Health (601)	02063	$7,577	
Department of Health (601)	02110	$17,839	
Department of Health (601)	02130	$100,099	
Department of Health (601)	02150	$3,927	
Department of Health (601)	02260	$2,400	
Department of Health (601)	02480	$112,729	
Department of Health (601)	02800	$1,707,240	
Department of Health (601)	09013	$51,751	
Department of Health (601)	09100	$3,927	
Department of Health (601)	09312	$23,326	
Department for the Blind and Vision Impaired (702)	05910	$32,019	$32,019
Department of Social Services (765)	02022	$39,869	$39,870
Department of Social Services (765)	02043	$39,869	$39,870
Department of Juvenile Justice (777)	02777	$9,389	
Department of Corrections (799)	02711	$147,786	
Department of Corrections (799)	02320	$23,995	
Department of Corrections (799)	09530	$68,864	
Virginia Foundation for Healthy Youth (852)	09430	$11,313	$11,314
Commonwealth's Attorneys' Services Council (957)	02957	$561	
Department of Fire Programs (960)	02180	$44,614	
Alcoholic Beverage Control Authority (999)	05001	$1,001,765	
		$4,414,446	**$273,627**

2. Out of the amounts listed above, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a federal repayment resulting from transfers from internal service funds identified in this list. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

FF. 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.

GG. 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.

HH. 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).

II. The Department of General Services, with the cooperation and support of the Department of Agriculture and Consumer Services, is authorized to sell, for such consideration and the Governor may approve, a portion 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. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the proceeds from the sale shall first be applied toward remediation options under federal tax law of any outstanding tax-exempt bonds on the property. After deduction of the expenses incurred by the Department of Agriculture and Consumer Services, any proceeds that remain shall be deposited to the general fund no later than June 30, 2020. Any conveyance shall be approved by the Governor in a manner set forth in §2.2-1150, Code of Virginia.

JJ. On or before June 30 of each fiscal year, the State Comptroller shall transfer to the general fund the portion of the ~~balance~~ balances of the Disaster Recovery Fund (Fund 02460) and Covid-19 Addtnl 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.

KK. 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, 2019 and an additional $2,000,000 on or before June 30, 2020 from the revenues received from the Communications Sales and Use Tax.

LL. As required by §4-1.05 b of Chapter 2, 2018 Special Session I, $168,434 in various inactive nongeneral fund accounts were reverted by the State Comptroller to the general fund in the first year and $38,816 in the second year.

MM. The transfer of excess amounts in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund to the general fund pursuant to Item 58 of this act is estimated at $14,000,000 the first year and ~~$500,000~~ $5,902,740 the second year.

NN. 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 $23,000,000, to the general fund from the Taxpayer Relief Fund established pursuant to Enactment 5 of Chapter 17 and 18, 2019 Acts of Assembly.

OO. On or before June 30, 2020, the State Comptroller shall transfer to the general fund an amount estimated at $12,706,315 from Special Fund balances of the Virginia Growth and Opportunity Fund.

§ 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 $11,553,000 to the Department of Veterans Services, on July 1 of the second year, to operate the Puller and Jones & 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	$60,000,000
Department of Corrections, for Virginia Correctional Enterprises	$1,000,000
Department of Corrections, for Educational Grant Processing	300,000
Department of Emergency Management	$150,000
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	$5,000,000
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	~~$40,000,000~~ $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	$21,000,000
Innovation and Entrepreneurship Authority	$2,500,000
Department of Motor Vehicles	$10,500,000
Virginia Parole Board	$50,000

b. The State Comptroller shall execute an agreement with each agency documenting the procedures for the line of credit, including, 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 apply to these lines of credit.

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

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 up to $2,500,000 to the Department of State Police to be repaid from revenues provided under the federal government's establishment of Uniform Carrier Registration.

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 year and to provide cash to the Virginia Lottery Fund to meet the required transfer of estimated lottery profits to the Lottery Proceeds Fund in the month of June, as specified in provisions of § 3-1.01G. of this act. The Virginia Lottery shall repay the line of credit as actual cash flows become available. The Secretary of Finance is authorized to increase the line of credit to the Virginia Lottery if necessary to meet operating needs.

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 cover the actual costs of responding to State Active Duty. The line of credit will be repaid as the Department of Military Affairs is reimbursed from federal or other funds, other than Department of Military Affairs funds.

g. The Innovation and Entrepreneurship Investment Authority is hereby authorized to use its line of credit to meet cash flow needs at any time during the year in support of operational costs in anticipation of reimbursement of said expenditures from signed contracts and grant awards. The Innovation and Entrepreneurship Investment Authority shall repay the line of credit by June 30 of each fiscal year.

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

§ 3-3.00 GENERAL FUND DEPOSITS

§ 3-3.01 PAYMENT BY THE STATE TREASURER

The state Treasurer shall transfer an amount estimated at $50,000 on or before June 30, 2019 and an amount estimated at $50,000 on or before June 30, 2020, to the general fund from excess 9(c) sinking fund balances.

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

§ 3-4.01 AUXILIARY ENTERPRISE INVESTMENT YIELDS

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 this requirement with the interest earned by the investment of the 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 2020-2022 biennium.

3. Institutions of higher education shall have the authority to reduce the recovery of the full indirect cost of auxiliary enterprise programs to the educational and general program for the 2019-2020 fiscal year as a result of the significant financial impact on auxiliary enterprise programs caused by the COVID-19 pandemic.

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 $389,900,000 the first year and ~~$409,300,000~~ $421,600,000 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 ACCELERATED SALES TAX

A. Notwithstanding any other provision of law, in addition to the amounts required under the provisions of §§58.1-615 and 58.1-616, any dealer as defined by §58.1-612 or direct payment permit holder pursuant to §58.1-624 with taxable sales and purchases of $ 1,000,000 or greater for the 12-month period beginning July 1, and ending June 30 of the immediately preceding calendar year, shall be required to make a payment equal to 90 percent of the sales and use tax liability for the previous June. Such tax payments shall be made on or before the 30th day of June, if payments are made by electronic fund transfer, as defined in § 58.1-202.1. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June. Every dealer or direct payment holder shall be entitled to a credit for the payment under this section on the return for June of the current year due July 20.

B. The Tax Commissioner may develop guidelines implementing the provisions of this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

C. For purposes of this section, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer's Use Tax Return.

D. In lieu of the penalties provided in § 58.1-635, except with respect to fraudulent returns, failure to make a timely payment or full payment of the sales and use tax liability as provided in subsection A shall subject the dealer or direct payment permit holder to a penalty of six percent of the amount of tax underpayment that should have been properly paid to the Tax Commissioner. Interest shall accrue as provided in § 58.1-15. The payment required by this section shall become delinquent on the first day following the due date set forth in this section if not paid.

E. Payments made pursuant to this section shall be made in accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue, except with respect to those revenues required to be distributed under the provisions of §§ 58.1-605, 58.1-606, 58.1638(A), 58.1-638(G)-(H), 58.1-638.2, and 58.1-638.3 of the Code of Virginia.

F. That the State Comptroller shall make no distribution of the taxes collected pursuant to this section in accordance with §§ 58.1 605, 58.1-606, 58.1-638, 58.1-638.1, 58.1-638.2 and 58.1-638.3 of the Code of Virginia until the Tax Commissioner makes a written certification to the Comptroller certifying the sales and use tax revenues generated pursuant to this section. The Tax Commissioner shall certify the sales and use tax revenues generated as soon as practicable after the sales and use tax revenues have been paid into the state treasury in any month for the preceding month.

G.1. Beginning with the tax payment that would be remitted on or before June 25, 2019, if the payment is made by other than electronic fund transfers, and by June 30, 2019, if payments are made by electronic fund transfer, the provisions of § 3-5.08 of Chapter 874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of $4,000,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

2. Beginning with the tax payment that would be remitted on or before June 25, 2020, if the payment is made by other than electronic fund transfers, and by June 30, 2020, if payments are made by electronic fund transfer, the provisions of § 3-5.08 of Chapter

874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of $10,000,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

§ 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)(I) 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 ~~the~~ 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 ~~only~~ 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 ~~the~~ such related member has ~~actually~~ 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 last 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, ~~2022~~ 2025. ~~Any new sales tax exemption or tax credit enacted by the General Assembly prior to the 2021 regular legislative session shall have a sunset date not later than June 30, 2022~~ 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.

B. By November 1, 2020, the Department of Taxation shall report to every member of the General Assembly and to the Joint Subcommittee to Evaluate Tax Preferences, on the revenue impact of every sales tax exemption and tax credit scheduled to expire on or before June 30, ~~2022~~ 2025. The report shall include the prior fiscal year's state and local sales tax impact of each expiring sales tax exemption, and the prior fiscal year's general fund revenue impact of each expiring tax credit. The tax credit revenue impact analysis shall be inclusive of credits claimed against any tax imposed under Title 58.1 of the Code of Virginia.

C. 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. This Act estimates the non-federal share of the cost of Medicaid expansion to be $86,103,345 the first year and $293,192,716 the second year. However, these amounts shall not be construed as a limitation on collections or override the provisions of this item that allow for periodic updates of the full cost of coverage.

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

2. The "coverage assessment percentage" shall be calculated as (i) 1.08 times the non-federal share of the "full cost of expanded Medicaid coverage" 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." In FY 2019, net patient service revenue shall be prorated by the portion of the year subject to the tax. 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.1. DMAS shall, at a minimum, update the "coverage assessment amount" to be effective on January 1, of each year. DMAS is further authorized to update the "coverage assessment amount" on a quarterly basis 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 30 days' notice prior to a change in its coverage assessment amount and be provided with associated calculations. Prior to any change to the coverage assessment amount, DMAS shall perform and incorporate a reconciliation of the Health Care Coverage Assessment Fund. Any estimated excess or shortfall of revenue since the previous reconciliation shall be deducted from or added to the "full cost of expanded Medicaid coverage" for the updated 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. In FY 2019, quarterly amounts for the remainder of the state fiscal year shall equal one-third of the coverage assessment. In the first year, the first coverage assessment payment shall be due on or after October 1, 2018.

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 Chairmen of the House Appropriations and Senate Finance 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

nonfederal share of the full cost of expanded Medicaid coverage.

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 of this item 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) 1.08 times the non-federal share of funding the "private acute care hospitals enhanced payments" divided by (ii) the total "net patient service revenue" for hospital 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." In FY 2019, net patient service revenue shall be prorated by the portion of the year subject to the tax. 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 on a quarterly basis to ensure amounts are sufficient to cover the full cost of the private acute care hospital enhanced payments based on the latest estimate. Hospitals shall be given no less than 30 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 according to the existing State Plan methodology but using 100% for the adjustment factors (including the capital reimbursement percentage) and full inflation 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 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 July 1, October 1, January 1 and April 1 of each state fiscal year. In FY 2019, the first payment rate assessment payment shall be due on or after October 1, 2018.

2. Hospitals that fail to make the payment rate 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 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 Chairmen of the House Appropriations and Senate Finance 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.

J. 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 § 58.11001(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 by November 1, 2019. 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, 2020, 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. Omitted.

§ 3-5.21 TAXPAYER RELIEF FUND

A. Notwithstanding any other provision of law, the Comptroller shall transfer any revenues generated by the individual reform provisions contained in Subtitle A of Title I and §§ 13611 - 13613 of the federal Tax Cuts and Jobs Act, P.L. 115-97 (2017), from the collection of taxes during Fiscal Year~~s~~ 2019 ~~through 2025~~, estimated to be approximately $450 million ~~annually~~, beyond those revenues reasonably expected to be collected due to general economic growth and absent the federal policy changes, less the estimated reduction in revenues needed to implement the tax policy changes set forth in the first enactment of Chapters 17 and 18, 2019 Acts of Assembly for the relevant fiscal year, to the Taxpayer Relief Fund established pursuant to the fifth enactment of that Act. The Governor, in consultation with the State Comptroller and the Tax Commissioner, shall certify to the General Assembly on or before September 1 each year the estimated amount to be transferred to the Fund pursuant to this act.

B. 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 2019 shall not include any amounts transferred from the general fund to the Taxpayer Relief Fund that will be used to provide refunds pursuant to the fourth enactment of Chapters 17 and 18, 2019 Acts of Assembly.

C. 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, general fund revenue collections shall not include any amounts transferred to the Taxpayer Relief Fund established pursuant to the fifth enactment of Chapters 17 and 18, 2019 Acts of Assembly.

§ 3-5.22 NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT

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.

§3-5.23 CORONAVTRUS DISEASE 2019 ADMINISTRATIVE TAX RELIEF

A. Any income tax payments originally due during the period from April 1, 2020 to June 1, 2020 may be submitted to the Department of Taxation without the accrual of interest as would otherwise be required for late payments pursuant to Chapter 3 of Title 58.1, provided that full payment is made on or before June 1, 2020. For purposes of this section, "income tax payment" means any payment required to be made with a return filed pursuant to §§ 58.1-341, 58.1-381, and 58.1-441; any payment required to be made with respect to an election to file an extension of time within which to file such a return; any payment of estimated tax required pursuant to Article 19 and Article 20 of Chapter 3 of Title 58.1; and any payment of consumer use tax made with a return filed pursuant to § 58.1-341.

B. The Department shall waive interest as otherwise required for late payments pursuant to Chapter 6 of Title 58.1 on any sales tax payment originally due March 20, 2020 for which a waiver of penalty was granted by the Department of Taxation, provided that such payment is submitted to the Department of Taxation on or before April 20, 2020.

§ 3-6.00 ADJUSTMENTS AND MODIFICATIONS TO FEES

§ 3-6.01 RECORDATION TAX FEE

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 A and 58.1-803, Code of Virginia; and (ii) every certificate of satisfaction admitted under § 55-66.6, Code of Virginia. The revenue generated from fifty percent of such fee shall be deposited to the general fund. The revenue generated from the other fifty percent of such fee shall be deposited to the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality Improvement Fund, as established in § 10.1-2128.1, Code of Virginia. The funds deposited to this subfund shall be disbursed for the agricultural best management practices cost share program, pursuant to § 10.1-2128.1, Code of Virginia.

§ 3-6.02 ANNUAL VEHICLE REGISTRATION FEE ($4.25 FOR LIFE)

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

§ 3-6.03 DRIVERS LICENSE REINSTATEMENT FEE

Notwithstanding § 46.2-411 of the Code of Virginia, the drivers license reinstatement fee payable to the Trauma Center Fund shall be $100 the first year and $0 the second year. In the second year, notwithstanding the provisions of § 46.2-395 of the Code of Virginia, no court shall suspend any person's privilege to drive a motor vehicle solely for failure to pay any fines, court costs, forfeitures,

restitution, or penalties assessed against such person. The Commissioner of the Department of Motor Vehicles shall reinstate a person's privilege to drive a motor vehicle that was suspended 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 person's driving privileges. Nothing herein shall require the Commissioner to reinstate a person's driving privileges if such privileges have been otherwise lawfully suspended or revoked or if such person is otherwise ineligible for a driver's license.

§ 3-6.04 ASSESSMENT OF ELECTRONIC SUMMONS FEE BY LOCALITIES

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 therein upon any summons issued by a law-enforcement agency of the Commonwealth.

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. 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 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.

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

1. 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;

2. 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.

§ 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 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 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, 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 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, 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 Committees. Subsequent modifications to the approved reduction plan also must be submitted to the Chairmen of the House Appropriations and Senate Finance 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 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 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 billing cycles that have been established by law or policy by the governing board.

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

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

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

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

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

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

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

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

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 Virginia, debt service funds, or federal funds; and

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

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

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

§ 4-1.03 APPROPRIATION TRANSFERS

GENERAL

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

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

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

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

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

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 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 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 m 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 ~~three~~ 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 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 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 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 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 La) 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.

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. Norfolk State University, Virginia Military Institute, Virginia State University, and two-year public institutions are exempt from this restriction.

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 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, and Chapters 675 and 685 of the 2009 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, and Chapters 675 and 685 of the 2009 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 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, and Chapters 675 and 685 of the 2009 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.

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.

m) the Department of State Police, from the fees generated by the Firearms Transaction Program Fund, the Concealed Weapons Program, and the Conservator of the Peace Program pursuant to §§ 18.2-308, 18.2-308.2:2 and 19.2-13, Code of Virginia

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.

n) 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.

~~e. REVENUES GENERATED FROM CLIMATE CHANGE COMPACTS~~

~~Any revenues generated through participation in any regional climate change compact, including but not limited to the Regional Greenhouse Gas Initiative and the Transportation Climate Initiative, shall be deposited in the general fund and shall not be transferred to any other entity as a condition of such compact nor shall such funds be expended for any projects or programs without the express approval of the General Assembly as evidenced by an appropriation of such funds in a general Appropriation Act with the exception of expenditures required pursuant to any contracts signed prior to the passage of this act by the General Assembly.~~

§ 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 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 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 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 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 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. In addition, institutions of higher education may request a treasury loan because of cash flow challenges resulting from the loss of auxiliary revenues due to the closure of auxiliary operations tied to the COVID-19 emergency. The Secretary of Finance shall develop any needed guidelines in evaluating requests received from the institutions of higher education.

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 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 § 4-4.01M: Authorization for anticipation loans for projects not included in this act or for projects authorized under § 4-4.01 m 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 m 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 m, 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 Committees.

5. Anticipation loans for capital projects authorized under § 4-4.01 m 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 m. Interest payments on anticipation loans for nongeneral fund capital projects authorized under § 4-4.01 m 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 Committees by August 15 of each year. The report shall include a status of the repayment schedule for each loan.

§ 4-3.03 CAPITAL 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 capital 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. 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 capital lease agreements. The State Treasurer shall be responsible for incorporating existing and authorized capital lease agreements in the annual Debt Capacity Advisory Committee reports.

b. APPROVAL OF FINANCINGS:

1. For any project which qualifies as a capital 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 capital lease transaction, the Treasury Board shall approve the financing terms and structure of such capital 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, General Services, and Planning and Budget shall notify the Treasury Board upon their approval of any transaction which qualifies as a capital lease under the terms of this section. The State Treasurer shall notify the Chairmen of the House Appropriations and Senate Finance 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 Committees with recommendations involving proposed capital lease agreements.

d. This section shall not apply to capital 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 capital leases for executive branch agencies provided that the resulting capital 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 and Chapters 675 and 685 of the 2009 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 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 m 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 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 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 m 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 m 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.

1. 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 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 m 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 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. 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 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, and Chapters 675 and 685 of the 2009 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, and Chapters 675 and 685 of the 2009 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 Mines, Minerals and 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 Mines, Minerals and 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 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, and Chapters 675 and 685 of the 2009 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)l) 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)l) 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 PROGAM

1. 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 § 38.25009(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.

2. The State Corporation Commission shall develop a report containing options and recommendations for improving the actuarial soundness of financing for the Virginia Birth-Related Neurological Injury Compensation Program. The report shall be presented to the Governor and Chairmen of the House Appropriations and Senate Finance Committees no later than November 1, 2017.

§ 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 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 La) 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 and the Joint Legislative Audit and Review Commission 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 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 La) 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 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 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 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:

I.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 agencies and institutions, or authorize other state agencies or institutions to undertake such procurements on their own.

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. BODY-WORN CAMERAS: No expenditures from general or nongeneral fund sources may be made by any state agency or authority for the purchase or implementation of body-worn cameras or body-worn camera systems.~~

§ 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 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 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.

§ 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 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 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 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.1.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 D, 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 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. Prior to July 1, 2019, and not withstanding 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 150 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 (hereinafter referred to Authority) for an amount not to exceed $1,000,000. Location of the 150 acres within the Property shall be agreed to between the Commonwealth of Virginia and the Authority prior to execution of the property transfer, the Commonwealth of Virginia shall provide to the Authority copies of the two most recent state appraisals for the 150 acres parcel agreed to by the parties, and in no case shall the transaction price exceed the average of the two most recent state appraisals. 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, 2019.~~

~~1. The Authority is authorized to convey the property rights of the 150 acres, conveyed by the Commonwealth in paragraph e., to the operator of a 20 megawatt solar facility for the amount the Authority acquired the property and any closing costs associated with its acquisition from the Commonwealth of Virginia.~~

~~2. Any remaining Property as agreed to by the Commonwealth of Virginia and the Authority shall be made available for purchase by the Authority for an amount not to exceed $350,000, and the Commonwealth is authorized to sell such property to the Authority pursuant to § 2.2-1150. A deed restriction in the Commonwealth of Virginia and Authority property sale described in this section, e.2, shall limit the sale of such property by the Authority to unmanned systems companies or companies related to the unmanned system industries locating to the Hampton Roads Unmanned Systems Park for amounts as determined by the Authority. The Authority shall reimburse the Commonwealth of Virginia, at property closing, for any appraisals and other Commonwealth of Virginia costs to prepare and execute the conveyance documents related to this transaction.~~

f. 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 the 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 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, 2020, 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, provided the Authority reasonably cooperates with the Commonwealth of Virginia and adheres to such reasonable requirements as determined by the Commonwealth of Virginia. 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 up to 150 acres of the Property conveyed by the Commonwealth in paragraph f, 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 above that described in paragraph 1, 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.

~~§ 4-5.11. LIMITATIONS ON USE OF STATE FUNDING~~

~~Notwithstanding any other provision of the Code of Virginia, no expenditures from the general, special, or other nongeneral fund sources from any appropriation by the General Assembly shall be used to support membership or participation in the Regional Greenhouse Gas Initiative (RGGI) until such time as the General Assembly has approved such membership as evidenced by language authorizing such action in the Appropriation Act, with the exception of any expenditures required pursuant to any contract signed prior to the passage of this act by the General Assembly, nor shall any RGGI auction proceeds be used to supplement any appropriation in this act without express General Assembly approval.~~

§ 4-5.12 SEAT OF GOVERNMENT TRAFFIC AND PEDESTRIAN SAFETY

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 § 33.2314(A).

§ 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.

	24, 2019	November 24, 2019	June 30, 2020
Chief of Staff	$175,000	$179,813	$179,813
Secretary of Administration	$172,000	$176,730	$176,730
Secretary of Agriculture and Forestry	$172,000	$176,730	$176,730
Secretary of Commerce and Trade	$172,000	$176,730	$176,730
Secretary of the Commonwealth	$172,000	$176,730	$176,730
Secretary of Education	$172,000	$176,730	$176,730
Secretary of Finance	$175,980	$180,819	$180,819
Secretary of Health and Human Resources	$172,000	$176,730	$176,730
Secretary of Natural Resources	$172,000	$176,730	$176,730
Secretary of Public Safety and Homeland Security	$173,903	$178,685	$178,685
Secretary of Transportation	$172,000	$176,730	$176,730
Secretary of Veterans and Defense Affairs	$172,000	$176,730	$176,730

c.1.a) Annual salaries of persons appointed to positions listed in subdivision c 6 hereof shall be paid in the amounts shown for the current biennium, unless changed in accordance with conditions stated in subdivisions c 2 through c 5 hereof.

b) The starting salary of a new appointee shall not exceed the midpoint of the range, except where the midpoint salary is less than a ten percent increase from an appointee's preappointment compensation. In such cases, an appointee's starting salary may be set at a rate which is ten percent higher than the preappointment compensation, provided that the maximum of the range is not exceeded. However, in instances where an appointee's preappointment compensation exceeded the maximum of the respective salary range, then the salary for that appointee may be set at the maximum salary for the respective salary range except if the new hire was employed in a state classified position, then the Governor may exceed the maximum salary for the position and set the salary for the employee at a salary level not to exceed the employee's salary at their prior state position.

c) Nothing in subdivision c 1 shall be interpreted to supersede the provisions of § 4-6.01 e, f, g, h, i, j, k, 1, and m of this act.

d) For new appointees to positions listed in § 4-6.01c.6., the Governor is authorized to provide for fringe benefits in addition to those otherwise provided by law, including post retirement health care and other non-salaried benefits provided to similar positions in the public sector.

2.a)1) The Governor may increase or decrease the annual salary for incumbents of positions listed in subdivision c 6 below at a rate of up to 10 percent in any single fiscal year between the minimum and the maximum of the respective salary range in accordance with an assessment of performance and service to the Commonwealth.

2) The governing boards of the independent agencies may increase or decrease the annual salary for incumbents of positions 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 respective salary range, in accordance with an assessment of performance and service to the Commonwealth.

b)1) The appointing or governing authority may grant performance bonuses of 0-5 percent for positions whose salaries are 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 with policies and procedures established by such appointing or governing authority. Such performance bonuses shall be over and above the salaries listed in this act, and shall not become part of the base rate of pay.

2) The appointing or governing authority shall report performance bonuses which are granted to executive branch employees to the Department of Human Resource Management for retention in its records.

3. From the effective date of the Executive Pay Plan set forth in Chapter 601, Acts of Assembly of 1981, all incumbents holding positions listed in this § 4-6.01 shall be eligible for all fringe benefits provided to full-time classified state employees and, notwithstanding any provision to the contrary, the annual salary paid pursuant to this § 4-6.01 shall be included as creditable compensation for the calculation of such benefits.

4. Notwithstanding § 4-6.01.c.2.b)l) of this Act, the Board of Commissioners of the Virginia Port Authority may supplement the salary of its Executive Director, with the prior approval of the Governor. The Board should be guided by criteria which provide a reasonable limit on the total additional income of the Executive Director. The criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable ports of other states. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

5.a. With the written approval of the Governor, the Board of Trustees of the Virginia Museum of Fine Arts, the Science Museum of Virginia, the Virginia Museum of Natural History, Gunston Hall, and the Library Board may supplement the salary of the Director of each museum, and the Librarian of Virginia from nonstate funds. In approving a supplement, the Governor should be guided by criteria which provide a reasonable limit on the total additional income and the criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable museums and libraries of other states. The respective Boards shall report approved supplements to the Department of Human Resource Management for retention in its records.

b) The Board of Trustees of the Jamestown-Yorktown Foundation may supplement, using nonstate funds, the salary of the Executive Director of the Foundation. In approving the supplement the Board should be guided by criteria which provides a reasonable limit on the total additional income and the criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable Foundations in other states. The Board shall report approved supplements to the 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.

	July 1, 2018 to June 24, 2019	June 25, 2019 to November 24, 2019	November 25, 2019 to June 30, 2020
Level I Range	**$164,651 - $235,000**	**$169,179- $241,463**	**$169,179 - $241,463**
Midpoint	**$198,825**	**$205,321**	**$205,321**

Chief Information Officer, Virginia Information Technologies Agency	$189,263	$194,468	$194,468
Commissioner, Department of Motor Vehicles	$164,970	$169,507	$169,507
Commissioner, Department of Social Services	$209,000	$214,748	$214,748
Commissioner, Department of Behavioral Health and Developmental Services	$212,661	$218,509	$218,509
Commonwealth Transportation Commissioner	$212,661	$218,509	$218,509
Director, Department of Corrections	$184,051	$189,112	$189,112
Director, Department of Environmental Quality	$190,188	$195,418	$195,418
Director, Department of Medical Assistance Services	$199,548	$205,036	$205,036
Director, Department of Planning and Budget	$172,699	$177,448	$177,448
State Health Commissioner	$225,000	$231,188	$231,188
State Tax Commissioner	$164,651	$169,179	$169,179
Superintendent of Public Instruction	$235,000	$241,463	$241,463
Superintendent of State Police	$184,705	$189,784	$189,784
	July 1, 2018 to June 24, 2019	**June 25, 2019 to November 24, 2019**	**November 25, 2019 to June 30, 2020**
Level II Range	**$114,330 - $180,000**	**$117,474 - $184,950**	**$117,474 - $184,950**
Midpoint	**$147,150**	**$151,212**	**$151,212**
Commissioner, Department for Aging and Rehabilitative Services	$155,895	$160,182	$160,182
Commissioner, Department of Agriculture and Consumer Services	$165,000	$169,538	$169,538
Commissioner, Department of Veterans Services	$147,084	$151,129	$151,129
Commissioner, Virginia Employment Commission	$161,679	$166,125	$166,125
Executive Director, Department of Game and Inland Fisheries	$144,414	$148,385	$148,385
Commissioner, Marine Resources Commission	$142,000	$145,905	$145,905
Director, Department of Forensic Science	$167,566	$172,174	$172,174
Director, Department of General Services	$167,214	$171,812	$171,812
Director, Department of Human Resource Management	$158,738	$163,103	$163,103
Director, Department of Juvenile Justice	$126,860	$130,349	$130,349
Director, Department of Mines, Minerals and Energy	$146,775	$150,811	$150,811
Director, Department of Rail and Public Transportation	$152,337	$156,526	$156,526
Director, Department of Small Business and Supplier Diversity	$139,466	$143,301	$143,301
Executive Director, Motor Vehicle Dealer Board	$114,330	$117,474	$117,474
Executive Director, Virginia Port Authority	$141,301	$145,187	$145,187
State Comptroller	$172,567	$177,313	$177,313
State Treasurer	$172,430	$177,172	$177,172
Executive Director, Board of Accountancy	$145,000	$148,988	$148,988
Chief Executive Officer, Virginia Alcoholic Beverage Control Authority	$180,000	$184,950	$184,950
	July 1, 2018 to June 24, 2019	**June 25, 2019 to November 24, 2019**	**November 25, 2019 to June 30, 2020**
Level III Range	**$110,980 - $153,585**	**$114,032 - $157,809**	**$114,032 - $157,809**
Midpoint	**$132,282**	**$135,920**	**$135,920**
Adjutant General	$139,614	$143,453	$143,453
Chairman, Virginia Parole Board	$131,310	$134,921	$134,921
Vice Chairman, Virginia Parole Board	$118,145	$121,394	$121,394
Member, Virginia Parole Board	$115,829	$119,014	$119,014
Commissioner, Department of Labor and Industry	$139,647	$143,487	$143,487
Coordinator, Department of Emergency Management	$148,860	$152,954	$152,954
Director, Department of Aviation	$150,000	$154,125	$154,125
Director, Department of Conservation and Recreation	$151,577	$155,745	$155,745
Director, Department of Criminal Justice Services	$125,021	$128,459	$128,459
Director, Department of Health Professions	$135,160	$138,877	$138,877

Director, Department of Historic Resources	$110,980	$114,032	$114,032
Director, Department of Housing and Community Development	$137,296	$141,072	$141,072
Director, Department of Professional and Occupational Regulation	$151,759	$155,932	$155,932
Director, The Science Museum of Virginia	$138,798	$142,615	$142,615
Director, Virginia Museum of Fine Arts	$144,315	$148,284	$148,284
Director, Virginia Museum of Natural History	$118,480	$121,738	$121,738
Executive Director, Jamestown-Yorktown Foundation	$140,888	$144,762	$144,762
Executive Secretary, Virginia Racing Commission	$113,300	$116,416	$116,416
Librarian of Virginia	$153,585	$157,809	$157,809
State Forester, Department of Forestry	$144,983	$148,970	$148,970
	July 1, 2018 to June 24, 2019	**June 25, 2019 to November 24, 2019**	**November 25, 2019 to June 30, 2020**
Level IV Range	**$90,537 - $118,393**	**$93,027 - $121,649**	**$93,027 - $121,649**
Midpoint	**$104,465**	**$107,338**	**$107,338**
Administrator, Commonwealth's Attorneys' Services Council	$107,761	$110,724	$110,724
Commissioner, Virginia Department for the Blind and Vision Impaired	$118,393	$121,649	$121,649
Executive Director, Frontier Culture Museum of Virginia	$105,000	$107,888	$107,888
Commissioner, Department of Elections	$111,000	$114,053	$114,053
Executive Director, Virginia-Israel Advisory Board	$98,000	$100,695	$100,695
Director, Gunston Hall	$90,537	$93,027	$93,027
	July 1, 2018 to June 24, 2019	**June 25, 2019 to November 24, 2019**	**November 25, 2019 to June 30, 2020**
Level V Range	**$23,515 - $98,577**	**$24,162 - $101,288**	**$24,162 - $101,288**
Midpoint	**$61,046**	**$62,725**	**$62,725**
Director, Virginia Department for the Deaf and Hard-of-Hearing	$98,577	$101,288	$101,288
Executive Director, Department of Fire Programs	$98,577	$101,288	$101,288
Executive Director, Virginia Commission for the Arts	$98,577	$101,288	$101,288
Chairman, Compensation Board	$23,515	$24,162	$24,162

7. Annual salaries of the directors of the independent agencies, as listed in this subdivision, shall be paid in the amounts shown. All salary changes shall be subject to subdivisions c 1, c 2, and c 3 above.

	July 1, 2018 to June 24, 2019	**June 25, 2019 to November 24, 2019**	**November 25, 2019 to June 30, 2020**
Independent Range	**$171,954 - $185,871**	**$176,683 - $190,982**	**$176,683 - $190,982**
Midpoint	**$178,913**	**$183,832**	**$183,832**
Executive Director, Virginia Lottery	$171,954	$176,683	$176,683
Director, Virginia Retirement System	$185,871	$190,982	$190,982
Chief Executive Officer, Virginia College Savings Plan	$183,362	$188,404	$188,404

8. Notwithstanding any provision of this Act, the Board of Trustees of the Virginia Retirement System may supplement the salary of its Director. The Board should be guided by criteria, which provide a reasonable limit on the total additional income of the Director. The criteria should include, without limitation, a consideration of the salaries paid to similar officials in comparable public pension plans. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

9. Notwithstanding any provision of this Act, the Board of the Virginia College Savings Plan may supplement the compensation of its Chief Executive Officer. The Board should be guided by criteria which provide a reasonable limit on the total additional income of the Chief Executive Officer. The criteria should include, without limitation, a consideration of compensation paid to similar officials in comparable qualified tuition programs, independent public agencies or other entities with similar responsibilities and size. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

d.1. Annual salaries of the presidents of the senior institutions of higher education, the President of Richard Bland College, the Chancellor of the University of Virginia's College at Wise, the Superintendent of the Virginia Military Institute, the Director of the State Council of Higher Education, the Director of the Southern Virginia Higher Education Center, the Director of the Southwest Virginia Higher Education Center and the Chancellor of Community Colleges, as listed in this paragraph, shall be paid in the amounts shown. The

annual salaries of the presidents of the community colleges shall be fixed by the State Board for Community Colleges within a salary structure submitted to the Governor prior to June 1 each year for approval.

2.a) The board of visitors of each institution of higher education or the boards of directors for Southern Virginia Higher Education Center, Southwest Virginia Higher Education Center, and the New College Institute may annually supplement the salary of a president or director from private gifts, endowment funds, foundation funds, or income from endowments and gifts. Supplements paid from other than the cited sources prior to June 30, 1997, may continue to be paid. In approving a supplement, the board of visitors or board of directors should be guided by criteria which provide a reasonable limit on the total additional income of a president or director. The criteria should include a consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services. The board of visitors or board of directors shall report approved supplements to the Department of Human Resource Management for retention in its records.

b) The State Board for Community Colleges may annually supplement the salary of the Chancellor from any available appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community Colleges should be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The criteria should include consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services. The Board shall report approved supplements to the Department of Human Resource Management for retention 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 1, 2018 to June 24, 2019	**June 25, 2019 to November 24, 2019**	**November 25, 2019 to June 30, 2020**
NEW COLLEGE INSTITUTE			
Executive Director, New College Institute	$126,844	$130,332	~~$130,332~~ $148,332
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA			
Director, State Council of Higher Education for Virginia	$199,479	$204,965	$204,965
SOUTHERN VIRGINIA HIGHER EDUCATION CENTER			
Director, Southern Virginia Higher Education Center	$134,273	$137,966	$137,966
SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER			
Director, Southwest Virginia Higher Education Center	$133,900	$137,582	$137,582
VIRGINIA COMMUNITY COLLEGE SYSTEM			
Chancellor of Community Colleges	$180,976	$185,953	$185,953
SENIOR COLLEGE PRESIDENTS' SALARIES			
Chancellor, University of Virginia's College at Wise	$127,218	$130,716	$130,716
President, Christopher Newport University	$142,606	$146,528	$146,528
President, The College of William and Mary in Virginia	$163,602	$168,101	$168,101
President, George Mason University	$157,384	$161,712	$161,712
President, James Madison University	$168,654	$173,292	$173,292
President, Longwood University	$153,858	$158,089	$158,089
President, Norfolk State University	$166,920	$171,510	$171,510
President, Old Dominion University	$173,732	$178,510	$178,510
President, Radford University	$162,579	$167,050	$167,050
President, Richard Bland College	$138,453	$142,260	$142,260
President, University of Mary Washington	$151,404	$155,568	$155,568
President, University of Virginia	$187,500	$192,656	$192,656
President, Virginia Commonwealth University	$181,395	$186,383	$186,383
President, Virginia Polytechnic Institute and State University	$198,266	$203,718	$203,718
President, Virginia State University	$149,496	$153,607	$153,607
Superintendent, Virginia Military Institute	$154,785	$159,042	$159,042

e. 1. Salaries for newly employed or promoted employees shall be established consistent with the compensation and classification plans established by the Governor.

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.

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.

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.

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.

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.

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.

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.

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 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.

§ 4-6.03 EMPLOYEE BENEFITS

a. Any medical/hospitalization benefit program provided for state employees shall include the following provision: any state employee, as defined in § 2.2-2818, Code of Virginia, shall have the option to accept or reject coverage.

b. Except as provided for sworn personnel of the Department of State Police, no payment of, or reimbursement for, the employer paid contribution to the State Police Officers' Retirement System, or any system offering like benefits, shall be made by the Compensation Board of the Commonwealth at a rate greater than the employer rate established for the general classified workforce of the Commonwealth covered under the Virginia Retirement System. Any cost for benefits exceeding such general rate shall be borne by the employee or, in the case of a political subdivision, by the employer.

c. Each agency may, within the funds appropriated by this act, implement a transit and ridesharing incentive program for its employees. With such programs, agencies may reimburse employees for all or a portion of the costs incurred from using public transit, car pools, or van pools. The Secretary of Transportation shall develop guidelines for the implementation of such programs and any agency program must be developed in accordance with such guidelines. The guidelines shall be in accordance with the federal National Energy Policy Act of 1992 (P.L. 102-486), and no program shall provide an incentive that exceeds the actual costs incurred by the employee.

d. Any hospital that serves as the primary medical facility for state employees may be allowed to participate in the State Employee Health Insurance Program pursuant to § 2.2-2818, Code of Virginia, provided that (1) such hospital is not a participating provider in the network, contracted by the Department of Human Resource Management, that serves state employees and (2) such hospital enters into a written agreement with the Department of Human Resource Management as to the rates of reimbursement. The department shall accept the lowest rates offered by the hospital from among the rates charged by the hospital to (1) its largest purchaser of care, (2) any state or federal public program, or (3) any special rate developed by the hospital for the state employee health benefits program which is lower than either of the rates above. If the department and the hospital cannot come to an agreement, the department shall reimburse the hospital at the rates contained in its final offer to the hospital until the dispute is resolved. Any dispute shall be resolved through arbitration or through the procedures established by the Administrative Process Act, as the hospital may decide, without impairment of any residual right to judicial review.

e. Any classified employee of the Commonwealth and any person similarly employed in the legislative, judicial and independent agencies who (i) is compensated on a salaried basis and (ii) works at least twenty hours per week shall be considered a full-time employee for the purposes of participation in the Virginia Retirement System's group life insurance and retirement programs. Any part-time magistrate hired prior to July 1, 1999, shall have the option of participating in the programs under this provision.

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) 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 years, 2) receives no other compensation for service to a public employer than that provided for the position covered by § 51.1-155.1, Code of Virginia during such period of reemployment, 3) retires within one year of commencing such period of reemployment, and 4) retires directly from service at the end of such period of reemployment may either:

a) Revert to the previous retirement benefit received under the provisions of § 51.1-155.1, Code of Virginia, including any annual cost of living adjustments granted thereon. This benefit may be adjusted upward to reflect the effect of such additional months of service and compensation received during the period of reemployment, or

b) Retire under the provisions of Title 51.1 in effect at the termination of his or her period of reemployment, including any purchase of service that may be eligible for purchase under the provisions of § 51.1-142.2, Code of Virginia.

2. The Virginia Retirement System shall establish procedures for verification by the employer of eligibility for the benefits provided for in this paragraph.

g. Notwithstanding any other provision of law, no agency head compensated by funds appropriated in this act may be a member of the Virginia Law Officers' Retirement System created under Title 51.1, Chapter 2.1, Code of Virginia. The provisions of this paragraph are effective on July 1, 2002, and shall not apply to the Chief of the Capitol Police.

h. Full-time employees appointed by the Governor who, except for meeting the minimum service requirements, would be eligible for the provisions of § 51.1-155.1, Code of Virginia, may, upon termination of service, use any severance allowance payment to purchase service to meet, but not exceed, the minimum service requirements of § 51.1-155.1, Code of Virginia. Such service purchase shall be at the rate of 15 percent of the employee's final creditable compensation or average final compensation, whichever is greater, and shall be completed within 90 days of separation of service.

i. When calculating the retirement benefits payable under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), the Virginia Law-enforcement Officers' Retirement System (VaLORS), or the Judicial Retirement System (JRS) to any employee of the Commonwealth or its political subdivisions who is called to active duty with the armed forces of the United States, including the United States Coast Guard, the Virginia Retirement System shall:

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 Gof§ 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 PI A 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. 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.

§ 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 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.

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 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 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, 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. A. 14.	Change reporting from annually to monthly.
Department of Human Resource Management State Employee Workers' Compensation Program	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.

4. a) Notwithstanding any other provision of law or of any provision 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, 2020, 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 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 m (see § 4-4.01 m. 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 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 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 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 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 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 establish a prioritized early warning system. Under the prioritized early warning system, the Auditor of Public Accounts shall establish a regular process whereby it reviews data on at least an annual basis to make a preliminary determination that a local government is in fiscal distress.

3. For local governments where the Auditor of Public Accounts has made a preliminary determination of fiscal distress based upon the early warning system criteria, the Auditor of Public Accounts shall notify the local governing body of its preliminary determination that it may meet the criteria for fiscal distress. Based upon the request of the local governing body or chief executive officer, the Auditor of Public Accounts may conduct a review and request documents and data from the local government. Such review shall consider factors including, but not limited to, budget processes, debt, borrowing, expenses and payables, revenues and receivables, and other areas including staffing, and the identification of external variables contributing to a locality's financial position, and if so, the scope of the issues involved. Any local governing body that receives requests for information from the Auditor of Public Accounts pursuant to such preliminary determination based on the above described threshold levels shall acknowledge receipt of such a request and shall ensure that a response is provided within the time frames specified by the Auditor of Public Accounts. After such review, if the Auditor of Public Accounts is of the opinion that state assistance, oversight, or targeted intervention is needed, either to further assess, help stabilize, or remediate the situation, the Auditor shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance Committees, and the governing body of the local government in writing outlining specific issues or actions that need to be addressed by state intervention.

4. The notification issued by the Auditor of Public Accounts pursuant to paragraph 3 above shall satisfy the notification requirement necessary to effectuate the provisions of this act in paragraph b.3 below.

b.1. The Director of the Department of Planning and Budget shall identify any amounts remaining unexpended from general fund appropriations in this Act as of June 30 of each year, which constitute state aid to local governments. The Director shall provide a listing of such amounts designated by item number and by program on or before August 15 of each year, to the Governor and the Chairmen of the House Appropriations Committee and the Senate Finance Committee.

2. From such unexpended balances identified by the Director of the Department of Planning and Budget, the Governor may reappropriate up to $750,000 from amounts which would otherwise revert to the balance of the general fund and transfer such amounts as necessary to establish a component of fund balance which may be used for the purpose of providing technical assistance and intervention actions for local governments deemed to be fiscally distressed and in need of intervention to address such distress. Any such reappropriation approved by the Governor, shall be separately identified in the commitments specified on the balance sheet and financial statements of the State Comptroller for the close of each fiscal year, to the extent that such reserve is not used or added to by future appropriation actions.

3. Prior to any expenditure of the reappropriated reserve, the Governor and the Chairmen of the House Appropriations Committee and the Senate Finance Committee must receive a notification from the Auditor of Public Accounts that a specific locality is in need of intervention because of a worsening financial situation. The Auditor of Public Accounts may issue such a notification upon receipt of audited financial statement or other information that indicates the existence of fiscal distress. But, no such notification shall be made until appropriate follow up and correspondence ascertains that, in the opinion of the Auditor of Public Accounts, such fiscal distress indeed exists. Such notification may also be issued by the Auditor of Public Accounts if written concerns raised about fiscal distress are not adequately addressed by the locality in question.

4. Once the Governor has received a notification from the Auditor of Public Accounts indicating fiscal distress in a specific local government, the Governor shall consult with the Chairmen of the House Appropriations Committee and the Senate Finance Committee about a plan for state intervention prior to any expenditure of funds from the cash reserve. Any plan approved by the Governor for intervention should, at a minimum, specify the purpose of such intervention, the estimated duration of the intervention, and the anticipated resources (dollars and personnel) directed toward such effort. The staffing necessary to carry out the intervention plan may be assembled from either public agencies or private entities or both and, notwithstanding any other provisions of law, the Governor may use an expedited method of procurement to secure such staffing when, in his judgment, the need for intervention is of an emergency nature such that action must be taken in a timely manner to avoid or address unacceptable financial risks to the Commonwealth.

5. The governing body and the elected constitutional officers of a locality subject to an intervention plan approved by the Governor shall assist all state appointed staff conducting the intervention regardless of whether such staff are from public agencies or private entities. Intervention staff shall provide periodic reports in writing to the Governor and the Chairmen of the House Appropriations Committee and the Senate Finance Committee outlining the scope of issues discovered and any recommendations made to remediate such issues, and the progress that is made on such recommendations or other remediation efforts. These periodic reports shall specifically address the degree of cooperation the intervention team is receiving from locally elected officials, including constitutional officers, city, county, or town managers and other local personnel in regards to their intervention work.

6. The Department of General Services is hereby encouraged to develop a master contract of qualified private sector turnaround 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.

§ 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, Administration, and Technology 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, and Chapters 675 and 685 of the 2009 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, and Chapters 675 and 685 of the 2009 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, and Chapters 675 and 685 of the 2009 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 imoney.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.

c. 1. As part of a five-year pilot program, George Mason University and James Madison University are 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, and (ii) the institution is not required to have a signed memorandum of understanding with the Secretary of Administration regarding participation in the nongeneral fund decentralization program as provided in subsection C of § 2.2-1132 in order to be eligible for the additional capital project authority.

2. In addition, each institution shall exercise additional financial and administrative authority over financial operations as follows:

a). BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

b) FINANCIAL MANAGEMENT AND REPORTING SYSTEM.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized by the Board to maintain existing and implement new policies governing the management of University financial resources. These policies shall continue to (i) ensure compliance with Generally Accepted Accounting Principles, (ii) ensure consistency with the current accounting principles employed by the Commonwealth, including the use of fund accounting principles, with regard to the establishment of the underlying accounting records of the University and the allocation and utilization of resources within the accounting system, including the relevant guidance provided by the State Council of Higher Education for Virginia chart of accounts with regard to the allocation and proper use of funds from specific types of fund sources, (iii) provide adequate risk management and internal controls to protect and safeguard all financial resources, including moneys transferred to the University pursuant to a general fund appropriation, and ensure compliance with the requirements of the Appropriation Act.

The financial management system shall continue to include a financial reporting system to satisfy both the requirements for inclusion into the Commonwealth's Comprehensive Annual Financial Report, as specified in the related State Comptroller's Directives, and the University's separately audited financial statements. To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounting and bookkeeping system of the University shall continue to be maintained in accordance with the principles prescribed for governmental organizations by the Governmental Accounting Standards Board.

In addition, the financial management system shall continue to provide financial reporting for the President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, and the Board of Visitors to enable them to provide adequate oversight of the financial operations of the University.

c) FINANCIAL MANAGEMENT POLICIES.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall create and implement any and all financial management policies necessary to establish a financial management system with adequate risk management and internal control processes and procedures for the effective protection and management of all University financial resources. Such policies will not address the underlying accounting principles and policies employed by the Commonwealth and the University, but rather will focus on the internal operations of the University's financial management. These policies shall include, but need not be limited to, the development of a tailored set of finance and accounting practices that seek to support the University's specific business and administrative operating environment in order to improve the efficiency and effectiveness of its business and administrative functions. In general, the system of independent financial management policies shall be guided by the general principles contained in the Commonwealth's Accounting Policies and Procedures such as establishing strong risk management and internal accounting controls to ensure University financial resources are properly safeguarded and that appropriate stewardship of public funds is obtained through management's oversight of the effective and efficient use of such funds in the performance of University programs.

The University shall continue to follow the Commonwealth's accounting policies until such time as specific alternate policies can be developed, approved and implemented. Such alternate policies shall include applicable accountability measures and shall be submitted to the State Comptroller for review and comment before they are implemented by the University.

d) FINANCIAL RESOURCE RETENTION AND MANAGEMENT.

The Board of Visitors shall retain the authority to establish tuition, fee, room, board, and other charges, with appropriate commitment provided to need-based grant aid for middle- and lower-income undergraduate Virginians. Except as provided otherwise in the Appropriation Act, it is the intent of the Commonwealth and the University that the University shall be exempt from the revenue restrictions in the general provisions of the Appropriation Act related to non-general funds. In addition, unless prohibited by the Appropriation Act, it is the intent of the Commonwealth and the University that the University shall be entitled to retain non-general fund savings generated from changes in Commonwealth rates and charges, including but not limited to health, life, and disability insurance rates, retirement contribution rates, telecommunications charges, and utility rates, rather than reverting such savings back to the Commonwealth. This financial resource policy assists the University by providing the framework for retaining and managing non-general funds, for the receipt of general funds, and for the use and stewardship of all these funds.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to provide oversight of the University's cash management system which is the framework for the retention of non-general funds. The Internal Audit Department of the University shall periodically audit the University's cash management system in accordance with appropriate risk assessment models and make reports to the Audit and Compliance Committee of the Board of Visitors. Additional

oversight shall continue to be provided through the annual audit and assessment of internal controls performed by the Auditor of Public Accounts. For the receipt of general and non-general funds, the University shall conform to the Security for Public Deposits Act, Chapter 44 (§ 2.2-4400 et seq.) of Title 2.2 of the Code of Virginia as it currently exists and from time to time may be amended.

e) ACCOUNTS RECEIVABLE MANAGEMENT AND COLLECTION.

The President, through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized to create and implement any and all Accounts Receivable Management and Collection policies as part of a system for the management of University financial resources. The policies shall be guided by the requirements of the Virginia Debt Collection Act, Chapter 48 (§ 2.2-4800 et seq.) of the Code of Virginia, such that the University shall take all appropriate and cost effective actions to aggressively collect accounts receivable in a timely manner.

These shall include, but not be limited to, establishing the criteria for granting credit to University customers; establishing the nature and timing of collection procedures within the above general principles; and the independent authority to select and contract with collection agencies and, after consultation with the Office of the Attorney General, private attorneys as needed to perform any and all collection activities for all University accounts receivable such as reporting delinquent accounts to credit bureaus, obtaining judgments, garnishments, and liens against such debtors, and other actions. In accordance with sound collection activities, the University shall continue to utilize the Commonwealth's Debt Set-Off Collection Programs, shall develop procedures acceptable to the Tax Commissioner and the State Comptroller to implement such Programs, and shall provide a quarterly summary report of receivables to the Department of Accounts in accordance with the reporting procedures established pursuant to the Virginia Debt Collection Act.

f) DISBURSEMENT MANAGEMENT.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized to create and implement any and all disbursement policies as part of a system for the management of University financial resources. The disbursement management policies shall continue to define the appropriate and reasonable uses of all funds, from whatever source derived, in the execution of the University's operations. These policies also shall continue to address the timing of appropriate and reasonable disbursements consistent with the Prompt Payment Act, and the appropriateness of certain goods or services relative to the University's mission, including travel-related disbursements. Further, the University's disbursement policy shall continue to provide for the mechanisms by which payments are made including the use of charge cards, warrants, and electronic payments.

These disbursement policies shall authorize the President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, to independently select, engage, and contract for such consultants, accountants, and financial experts, and other such providers of expert advice and consultation, and, after consultation with the Office of the Attorney General, private attorneys, as may be necessary or desirable in his or her discretion. The policies also shall continue to include the ability to locally manage and administer the Commonwealth's credit card and cost recovery programs related to disbursements, subject to any restrictions contained in the Commonwealth's contracts governing those programs, provided that the University shall submit the credit card and cost recovery aspects of its financial and operations policies to the State Comptroller for review and comment prior to implementing those aspects of those policies. The disbursement policies shall ensure that adequate risk management and internal control procedures shall be maintained over previously decentralized processes for public records, payroll, and non-payroll disbursements. The University shall continue to provide summary quarterly prompt payment reports to the Department of Accounts in accordance with the reporting procedures established pursuant to the Prompt Payment Act.

The University's disbursement policies shall be guided by the principles of the Commonwealth's policies as included in the Commonwealth's Accounting Policy and Procedures Manual. The University shall continue to follow the Commonwealth's disbursement policies until such time as specific alternative policies can be developed, approved and implemented. Such alternate policies shall be submitted to the State Comptroller for review and comment prior to their implementation by the University.

3. The Auditor of Public Accounts or his legally authorized representatives shall audit annually the accounts of each institution and shall distribute copies of each annual audit to the Governor and to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance. Pursuant to § 30-133, the Auditor of Public Accounts and his legally authorized representatives shall examine annually the accounts and books of each such institution, but the institution shall not be deemed to be a state or governmental agency, advisory agency, public body, or agency or instrumentality for purposes of Chapter 14 (§ 30-130 et seq.) of Title 30 except for those provisions in such chapter that relate to requirements for financial recordkeeping and bookkeeping. Each such institution shall be subject to periodic external review by the Joint Legislative and Audit Review Commission and such other reviews and audits as shall be required by law.

d. 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.

e. 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.

§ 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. Pursuant to § 23.1-1005, Code of Virginia, the Governor recommends approval for James Madison University to operate as a Level III institution under the management agreement as approved by its board of visitors on November 9, 2018.

c. 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.

§ 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. Beginning with fiscal year 2016, the Department of Planning and Budget shall submit these recommendations to the Governor and General Assembly no later than November 1 of each year.

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, 2020, 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

3. That §§ 33.2-1904, 33.2-1907 and 33.2-2502 of the Code of Virginia are amended and reenacted as follows:

§ 33.2-1904. Northern Virginia Transportation District and Commission.

A. There is hereby created the Northern Virginia Transportation District (the District), comprising the Counties of Arlington, Fairfax, and Loudoun; the Cities of Alexandria, Falls Church, and Fairfax; and such other county or city contiguous to the District that agrees to join the District.

B. There is hereby established the Northern Virginia Transportation Commission (the Commission) as a transportation commission pursuant to this chapter. The Commission shall consist of five nonlegislative citizen members from Fairfax County, three nonlegislative citizen members from Arlington County, two nonlegislative citizen members from Loudoun County, two nonlegislative citizen members from the City of Alexandria, one nonlegislative member from the City of Falls Church, one nonlegislative citizen member from the City of Fairfax, and the Chairman of the Commonwealth Transportation Board or his designee to serve ex officio with voting privileges. If a county or city contiguous to the District agrees to join the District, such locality shall appoint one nonlegislative citizen member to the Commission. Members from the counties and cities shall be appointed from their respective governing bodies. The Commission shall also include four members appointed by the Speaker of the House of Delegates who may be members of the House of Delegates and two members of the Senate appointed by the Senate Committee on Rules. All legislative members shall serve terms coincident with their terms of office. Members may be reappointed for successive terms. All members shall be citizens of the Commonwealth. Except for the Chairman of the Commonwealth Transportation Board or his designee, all members of the Commission shall be residents of the localities composing the District. Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. Vacancies shall be filled in the same manner as the original appointments.

§ 33.2-1907. Members of Transportation Commissions.

A. Any transportation district commission created pursuant to this chapter shall consist of the number of members the component governments shall agree upon, or as may otherwise be provided by law. The governing body of each participating county and city shall appoint from among its members the number of commissioners to which the county or city is entitled; however, for those commissions with powers as set forth in subsection A of § 33.2-1915, the governing body of each participating county or city is not limited to appointing commissioners from among its members. In addition, the governing body may appoint, from its number or otherwise, designated alternate members for those appointed to the commission who shall be able to exercise all of the powers and duties of a commission member when the regular member is absent from commission meetings. Each such appointee shall serve at the pleasure of the appointing body; however, no appointee to a commission with powers as set forth in subsection B of § 33.2-1915 may continue to serve when he is no longer a member of the appointing body. Each governing body shall inform the commission of its appointments to and removals from the commission by delivering to the commission a certified copy of the resolution making the appointment or causing the removal.

The Chairman of the Commonwealth Transportation Board, or his designee, shall be a member of each commission, ex officio with voting privileges. The Chairman of the Commonwealth Transportation Board may appoint an alternate member who may exercise all the powers and duties of the Chairman of the Commonwealth Transportation Board when neither the Chairman of the Commonwealth Transportation Board nor his designee is present at a commission meeting.

The Potomac and Rappahannock Transportation Commission shall also include two members who reside within the boundaries of the transportation district appointed by the Speaker of the House who may be members of the House of Delegates and one member of the Senate appointed by the Senate Committee on Rules. Each legislative member shall be from a legislative district located wholly or in part within the boundaries of the transportation district and shall serve a term coincident with his term of office. The members of the General Assembly shall be eligible for reappointment for successive terms. Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. Vacancies shall be filled in the same manner as the original appointments.

The Transportation District Commission of Hampton Roads shall consist of one nonlegislative citizen member appointed by the Governor from each county and city embraced by the transportation district. However, for the gubernatorial appointments that will become effective July 1, 2016, three of the appointments shall be for initial terms of two years and three appointments shall be for terms of four years. Thereafter, all gubernatorial appointments shall be for terms of four years so as to stagger the terms of the gubernatorial appointees. The governing body of each such county or city may appoint either a member of its governing body or its county or city manager to serve as an ex officio member with voting privileges. Every such ex officio member shall be allowed to attend all meetings of the commission that other members may be required to attend. Vacancies shall be filled in the same manner as the original appointments.

B. The Secretary or his designee and any appointed member of the Northern Virginia Transportation Commission are authorized to serve as members of the board of directors of the Washington Metropolitan Area Transit Authority (§ 33.2-3100 et seq.) and while so serving the provisions of § 2.2-2800 shall not apply to such member. In appointing Virginia members of the board of directors of the Washington Metropolitan Area Transit Authority (WMATA), the Northern Virginia Transportation Commission shall include the Secretary or his designee as a principal member on the board of directors of WMATA. Any designee serving as the principal member must reside in a locality served by WMATA.

In selecting from its membership those members to serve on the board of directors of WMATA, the Northern Virginia Transportation Commission shall comply with the following requirements:

1. A board member shall not have been an employee of WMATA within one year of appointment to serve on the board of directors.

2. A board member shall have (i) experience in at least one of the fields of transit planning, transportation planning, or land use planning; transit or transportation management or other public sector management; engineering; finance; public safety; homeland security; human resources; or the law or (ii) knowledge of the region's transportation issues derived from working on regional transportation issue resolution.

3. A board member shall be a regular patron of the services provided by WMATA.

4. Board members shall serve a term of four years with a maximum of two consecutive terms. A board member's term or terms must coincide with his term on the body that appointed him to the Northern Virginia Transportation Commission. Any vacancy created if a board member cannot fulfill his term because his term on the appointing body has ended shall be filled for the unexpired term in the

same manner as the member being replaced was appointed within 60 days of the vacancy. The initial appointments to a four-year term will be as follows: the Secretary, or his designee, for a term of four years; the second principal member for a term of three years; one alternate for a term of two years; and the remaining alternate for a term of one year. Thereafter, board members shall be appointed for terms of four years. Service on the WMATA board of directors prior to July 1, 2012, shall not be considered in determining length of service. Any person appointed to an initial one-year or two-year term, or appointed to an unexpired term in which two years or less is remaining, shall be eligible to serve two consecutive four-year terms after serving the initial or unexpired term.

5. Members may be removed from the board of directors of WMATA if they attend fewer than three-fourths of the meetings in a calendar year; if they are conflicted due to employment at WMATA; or if they are found to be in violation of the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.). If a board member is removed during a term, the vacancy shall be filled pursuant to the provisions of subdivision 4.

6. Each member of the Northern Virginia Transportation Commission appointed to the board of directors of WMATA shall file semiannual reports with the Secretary's office beginning July 1, 2012. The reports shall include (i) the dates of attendance at WMATA board meetings, (ii) any reasons for not attending a specific meeting, and (iii) dates and attendance at other WMATA-related public events.

7. Each nonelected member of the Northern Virginia Transportation Commission appointed to the board of directors of WMATA shall be eligible to receive reasonable and necessary expenses and compensation pursuant to §§ 2.2-2813 and 2.2-2825 from the Northern Virginia Transportation Commission for attending meetings and for the performance of his official duties as a board member on that day.

Any entity that provides compensation to a WMATA board member for his service on the WMATA board shall be required to submit on July 1 of each year to the Secretary the amount of that compensation. Such letter will remain on file with the Secretary's office and be available for public review.

C. When the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission enter into an agreement to operate a commuter railway, the agreement governing the creation of the railway shall provide that the Chairman of the Commonwealth Transportation Board or his designee shall have one vote on the oversight board for the railway. For each year in which the state contribution to the railway is greater than or equal to the highest contribution from an individual locality, the total annual subsidy as provided by the member localities used to determine vote weights shall be recalculated to include the Commonwealth contributing an amount equal to the highest contributing locality. The vote weights shall be recalculated to provide the Chairman of the Commonwealth Transportation Board or his designee the same weight as the highest contributing locality. The revised vote weights shall be used in determining the passage of motions before the oversight board.

§ 33.2-2502. Composition of Authority; membership; terms.

The Authority shall consist of 17 members as follows:

1. The chief elected officer of the governing body of each county and city embraced by the Authority or, in the discretion of the chief elected officer, his designee, who shall be a current elected officer of such governing body;

2. Two members who reside in different counties or cities embraced by the Authority, appointed by the Speaker of the House who may be from the membership of the House Committee on Appropriations, the House Committee on Finance, or the House Committee on Transportation;

3. One member of the Senate who resides in a county or city embraced by the Authority, appointed by the Senate Committee on Rules and, to the extent practicable, from the membership of the Senate Committee on Finance and the Senate Committee on Transportation;

4. Two nonlegislative citizen members who reside in different counties or cities embraced by the Authority, appointed by the Governor. One such gubernatorial appointment shall be a member of the Commonwealth Transportation Board and one shall be a person who has significant experience in transportation planning, finance, engineering, construction, or management; and

5. The following three persons who shall serve as nonvoting ex officio members of the Authority: the Director of the Department of Rail and Public Transportation, or his designee; the Commissioner of Highways, or his designee; and the chief elected officer of one town in a county embraced by the Authority to be chosen by the Authority.

All members of the Authority shall serve terms coincident with their terms of office, except that the gubernatorial appointee who is not a member of the Board shall serve for a term of four years. A vacancy occurring other than by expiration of a term shall be filled for the unexpired term. Vacancies shall be filled in the same manner as the original appointments. The Authority shall appoint a chairman and vice-chairman from among its members.

4. That the Code of Virginia is amended by adding in Article 1 of Chapter 10 of Title 32.1 sections numbered 32.1-332.01, and 32.1-332.02 as follows:

§ 32.1-331.01. Health Care Coverage Assessment Fund.

A. As used in this section:

"Covered hospital" means any in-state private acute care hospital other than a hospital classified as a public hospital, freestanding psychiatric and rehabilitation hospital, children's hospital, long stay hospital, long-term care hospital, or critical access hospital.

"Newly eligible adult" means an individual described in 42 U.S.C. §1396a(a)(10)(A)(i)(VIII).

"State Plan" means the state plan for medical assistance under Title XIX (§ 42 U.S.C. § 1396 et seq.) of the Social Security Act.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Health Care Coverage Assessment Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues collected or received as a result of imposition of a health care coverage assessment on covered hospitals and any other such moneys, public or private, received for the administration of the health care coverage assessment shall be paid into the state treasury and credited to the Fund. 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. Moneys deposited to the Fund shall be used solely for the nonfederal share of the cost of medical assistance for newly eligible adults, the administrative costs of collecting the assessment and implementing and operating the coverage for newly eligible adults. Such moneys shall be appropriated as provided in the general appropriation act. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the Department of Medical Assistance Services.

§ 32.1-331.02. Health Care Provider Payment Rate Assessment Fund.

A. As used in this section:

"Covered hospital" means any in-state private acute care hospital other than a hospital classified as a public hospital, freestanding psychiatric and rehabilitation hospital, children's hospital, long stay hospital, long-term care hospital, or critical access hospital.

"Managed care organization hospital payment gap" means the difference between the amount included in rates for inpatient and outpatient services provided by covered hospitals, based on historical paid claims, and the amount that would be included when hospital services are priced according to the existing State Plan methodology but using 100 percent of the adjustment factors, including the capital reimbursement percentage, and full inflation subject to approval by the Centers for Medicare and Medicaid Services pursuant to 42 C.F.R. § 438.6(c).

"State Plan" means the state plan for medical assistance under Title XIX (§ 42 U.S.C. § 1396 et seq.) of the Social Security Act.

"Upper payment limit" means the amount equal to the maximum amount of payment for inpatient services for recipients of medical assistance services established in accordance with 42 C.F.R § 447.272 and outpatient services for recipients of medical assistance services pursuant to 42 CFR § 447.321.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Health Care Payment Rate Assessment Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues collected or received as a result of imposition of a health care payment rate assessment on covered hospitals and any other such moneys, public or private, received for the administration of the health care payment assessment shall be paid into the state treasury and credited to the Fund. 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. Moneys deposited to the Fund shall be used solely for the nonfederal share of the cost of payment rate actions associated with the payment rate assessment as provided in the general appropriation act and the administrative costs of collecting the assessment and of implementing and operating the associated payment rate actions. Such moneys shall be appropriated as provided in the general appropriation act. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the Department of Medical Assistance Services.

5. **Effective July 1, 2018, the authority and responsibilities of the Secretary of Technology included in the Code of Virginia shall be executed by the Secretary of Administration and the Secretary of Commerce and Trade pursuant to Item 65 and Item 102 of this act. Any authority or responsibilities of the Secretary of Technology not referenced in Item 65 and Item 102 of this act shall be executed by either the Secretary of Administration or the Secretary of Commerce and Trade as determined by the Governor.**

6. That § 58.1-638 of the Code of Virginia is amended and reenacted as follows:

58.1-638. Disposition of state sales and use tax revenue.

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.2-1524. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as provided in this section: and an aggregate of 14.7 percent shall be set aside as the Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth. Expenditures for such capital needs are restricted to those capital projects specified in subsection B of § 62.1-132.1.

c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell, and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports Authority (MWAA), as follows:

Any new funds in excess of $12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to MWAA, up to a maximum annual amount of $2 million, and 40 percent to air carrier airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a than it received in fiscal year 1994-1995.

Of the remaining amount:

a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however, shall receive less than $50,000 nor more than $2 million per year from this provision.

b. Sixty percent of the funds shall be allocated as follows:

(1) For the first six months of each fiscal year, the funds shall be allocated as follows:

(a) Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever airports on a discretionary basis, except airports owned or leased by MWAA; and

(b) Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports on a discretionary basis; and

(2) For the second six months of each fiscal year, all remaining funds shall be allocated by the Aviation Board for all eligible airports on a discretionary basis, except airports owned or leased by MWAA.

3a. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and that shall be known as the Commonwealth Space Flight Fund. The Commonwealth Space Flight Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it.

a. The amounts allocated to the Commonwealth Space Flight Fund pursuant to § 33.2-1526 shall be allocated by the Commonwealth Transportation Board to the Board of Directors of the Virginia Commercial Space Flight Authority to be used to support the capital needs, maintenance, and operating costs of any and all facilities owned and operated by the Virginia Commercial Space Flight Authority.

b. Commonwealth Space Flight Fund revenue shall be allocated by the Board of Directors to the Virginia Commercial Space Flight Authority in order to foster and stimulate the growth of the commercial space flight industry in Virginia.

4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass Transit Fund.

a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall be credited to the Fund.

b. The amounts allocated pursuant to § 33.2-1526.1 shall be used to support the operating, capital, and administrative costs of public transportation at a state share determined by the Commonwealth Transportation Board, and these amounts may be used to support the capital project costs of public transportation and ridesharing equipment, facilities, and associated costs at a state share determined by the Commonwealth Transportation Board. Capital costs may include debt service payments on local or agency transit bonds.

c. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 33.2-1800 and for purposes as enumerated in subdivision 7 of § 33.2-1701 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. The Commonwealth Transit Capital Fund shall not be allocated without requiring a local match from the recipient.

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of the Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who are domiciled in orphanages or charitable institutions or who are dependents living on any federal military or naval reservation or other federal property within the school division in which the institutions or federal military or naval reservation or other federal property is located. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for members of the military services who are under 20 years of age within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for individuals receiving services in state hospitals, state training centers, or mental health facilities, persons who are confined in state or federal correctional institutions, or persons who attend the Virginia School for the Deaf and the Blind within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who attend institutions of higher education within the school division in which the student's parents or guardians legally reside. To such estimate, the Department of Education shall add the population of students with disabilities, ages two through four and 20 through 21, as provided to the Department of Education by school divisions. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last estimate of school population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such estimate and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of $13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under §29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time

that the balance in the Capital Improvement Fund, established under § 29.1-101.01, is equal to or in excess of $35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than $35 million.

F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1- 638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent increase as provided in this subdivision. The transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the net revenue generated (and collected in the succeeding month) from such one-half percent increase for the month of August 2004 and for each month thereafter.

2. Beginning July 1, 2013, of the remaining sales and use tax revenue, an amount equal to the revenue generated by a 0.125 percent sales and use tax shall be distributed to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1, and be used for the state's share of Standards of Quality basic aid payments.

3. For the purposes of the Comptroller making the required transfers under subdivision 1 and 2, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

G. (Contingent expiration date — see note) Beginning July 1, 2013, of the remaining sales and use tax revenue, an amount equal to the following percentages of the revenue generated by a one-half percent sales and use tax, such as that paid to the Transportation Trust Fund as provided in subdivision A 1, shall be paid to the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530:

1. For fiscal year 2014, an amount equal to 10 percent;

2. For fiscal year 2015, an amount equal to 20 percent;

3. For fiscal year 2016, an amount equal to 30 percent; and

4. For fiscal year 2017 and thereafter, an amount equal to 35 percent.

The Highway Maintenance and Operating Fund's share of the net revenue distributable under this subsection shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

H. (Contingent expiration date — see note) 1. The additional revenue generated by increases in the state sales and use tax from Planning District 8 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the Comptroller in the fund established under § 33.2-2509.

2. The additional revenue generated by increases in the state sales and use tax from Planning District 23 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the Comptroller in the fund established under § 33.2-2600.

3. The additional revenue generated by increases in the state sales and use tax in any other Planning District pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited into special funds that shall be established by appropriate legislation.

4. The net revenues distributable under this subsection shall be computed as an estimate of the net revenue to be received by the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the appropriate funds on the last day of each month.

I. (For contingent expiration date, see Acts 2018, c. 850) The additional revenue generated by increases in the state sales and use tax from the Historic Triangle pursuant to § 58.1-603.2 shall be deposited by the Comptroller as follows: (i) 50 percent shall be deposited into the Historic Triangle Marketing Fund established pursuant to subsection E of § 58.1-603.2; and (ii) 50 percent shall be deposited in the special fund created pursuant to subdivision D 2 of § 58.1-603.2 and distributed to the localities in which the revenues were collected. The net revenues distributable under this subsection shall be computed as an estimate of the net revenues to be received by the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the appropriate funds on the last day of each month.

~~J. Beginning July 1, 2020, the first $40 million of sales and use taxes remitted by online retailers with a physical nexus established pursuant to subsection D of § 58.1-612 shall be deposited into the Major Headquarters Workforce Grant Fund established pursuant to § 59.1-284.31.~~

~~K.~~ J. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

~~L.~~ K. The term "net revenue," as used in this section, means the gross revenue received into the general fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter, less refunds to taxpayers."

7. That §§ 58.1-601 and 58.1-602, as they are currently effective, 58.1-604, as it is currently effective and as it may become effective, 58.1-605, as it is currently effective, 58.1-612, 58.1-615, as it is currently effective, 58.1-625, as it is currently effective and as it shall become effective, and 58.1-635, as it is currently effective, of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 58.1-612.1 as follows:

§ 58.1-601. (Contingent expiration date) Administration of chapter.

A. The Tax Commissioner shall administer and enforce the assessment and collection of the taxes and penalties imposed by this chapter, including the collection of state and local sales and use taxes from remote sellers.

B. In administering the collection of state and local sales and use taxes from remote sellers, the Tax Commissioner shall:

1. Provide adequate information to remote sellers to enable them to identify state and local sales and use tax rates and exemptions;

2. Provide adequate information to software providers to enable them to make software and services available to remote sellers;

3. Ensure that if the Department requires a periodic audit the remote seller may complete a single audit that covers the state and local sales and use taxes in all localities; and

4. Require no more than one sales and use tax return per month be filed with the Department by any remote seller or any software provider on behalf of such remote seller.

C. For purposes of evaluating the fiscal, economic and policy impact of sales and use tax exemptions, the Tax Commissioner may require from any person information relating to the evaluation of exempt purchases or sales, information relating to the qualification for exempt purchases, and information relating to direct or indirect government financial assistance that the person receives. Such information shall be filed on forms prescribed by the Tax Commissioner.

§ 58.1-602. (Contingent expiration date) Definitions.

As used in this chapter, unless the context clearly shows otherwise:

"Advertising" means the planning, creating, or placing of advertising in newspapers, magazines, billboards, broadcasting and other media, including, without limitation, the providing of concept, writing, graphic design, mechanical art, photography and production supervision. Any person providing advertising as defined in this section shall be deemed to be the user or consumer of all tangible personal property purchased for use in such advertising.

"Amplification, transmission and distribution equipment" means, but is not limited to, production, distribution, and other equipment used to provide Internet-access services, such as computer and communications equipment and software used for storing, processing and retrieving end-user subscribers' requests.

"Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either directly or indirectly.

"Cost price" means the actual cost of an item or article of tangible personal property computed in the same manner as the sales price as defined in this section without any deductions therefrom on account of the cost of materials used, labor, or service costs, transportation charges, or any expenses whatsoever.

"Custom program" means a computer program that is specifically designed and developed only for one customer. The combining of two or more prewritten programs does not constitute a custom computer program. A prewritten program that is modified to any degree remains a prewritten program and does not become custom.

"Distribution" means the transfer or delivery of tangible personal property for use, consumption, or storage by the distributee, and the use, consumption, or storage of tangible personal property by a person that has processed, manufactured, refined, or converted such property, but does not include the transfer or delivery of tangible personal property for resale or any use, consumption, or storage otherwise exempt under this chapter.

"Gross proceeds" means the charges made or voluntary contributions received for the lease or rental of tangible personal property or for furnishing services, computed with the same deductions, where applicable, as for sales price as defined in this section over the term of the lease, rental, service, or use, but not less frequently than monthly. "Gross proceeds" does not include finance charges, carrying charges, service charges, or interest from credit extended on the lease or rental of tangible personal property under conditional lease or rental contracts or other conditional contracts providing for the deferred payments of the lease or rental price.

"Gross sales" means the sum total of all retail sales of tangible personal property or services as defined in this chapter, without any deduction, except as provided in this chapter. "Gross sales" does not include the federal retailers' excise tax or the federal diesel fuel excise tax imposed in § 4091 of the Internal Revenue Code if the excise tax is billed to the purchaser separately from the selling price of the article, or the Virginia retail sales or use tax, or any sales or use tax imposed by any county or city under § 58.1-605 or 58.1-606.

"Import" and "imported" are words applicable to tangible personal property imported into the Commonwealth from other states as well as from foreign countries, and "export" and "exported" are words applicable to tangible personal property exported from the Commonwealth to other states as well as to foreign countries.

"In this Commonwealth" or "in the Commonwealth" means within the limits of the Commonwealth of Virginia and includes all territory within these limits owned by or ceded to the United States of America.

"Integrated process," when used in relation to semiconductor manufacturing, means a process that begins with the research or development of semiconductor products, equipment, or processes, includes the handling and storage of raw materials at a plant site, and continues to the point that the product is packaged for final sale and either shipped or conveyed to a warehouse. Without limiting the foregoing, any semiconductor equipment, fuel, power, energy, supplies, or other tangible personal property shall be deemed used as part of the integrated process if its use contributes, before, during, or after production, to higher product quality, production yields, or process efficiencies. Except as otherwise provided by law, "integrated process" does not mean general maintenance or administration.

"Internet" means collectively, the myriad of computer and telecommunications facilities, which comprise the interconnected worldwide network of computer networks.

"Internet service" means a service that enables users to access proprietary and other content, information electronic mail, and the Internet as part of a package of services sold to end-user subscribers.

"Lease or rental" means the leasing or renting of tangible personal property and the possession or use thereof by the lessee or renter for a consideration, without transfer of the title to such property.

"Manufacturing, processing, refining, or conversion" includes the production line of the plant starting with the handling and storage of raw materials at the plant site and continuing through the last step of production where the product is finished or completed for sale and conveyed to a warehouse at the production site, and also includes equipment and supplies used for production line testing and quality control. "Manufacturing" also includes the necessary ancillary activities of newspaper and magazine printing when such activities are performed by the publisher of any newspaper or magazine for sale daily or regularly at average intervals not exceeding three months.

The determination of whether any manufacturing, mining, processing, refining or conversion activity is industrial in nature shall be made without regard to plant size, existence or size of finished product inventory, degree of mechanization, amount of capital investment, number of employees or other factors relating principally to the size of the business. Further, "industrial in nature" includes, but is not limited to, those businesses classified in codes 10 through 14 and 20 through 39 published in the Standard Industrial Classification Manual for 1972 and any supplements issued thereafter.

"Modular building" means, but is not limited to, single and multifamily houses, apartment units, commercial buildings, and permanent additions thereof, comprised of one or more sections that are intended to become real property, primarily constructed at a location other than the permanent site, built to comply with the Virginia Industrialized Building Safety Law (§ 36-70 et seq.) as regulated by the Virginia Department of Housing and Community Development, and shipped with most permanent components in place to the site of final assembly. For purposes of this chapter, "modular building" does not include a mobile office as defined in § 58.1-2401 or any manufactured building subject to and certified under the provisions of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. § 5401 et seq.).

"Modular building manufacturer" means a person that owns or operates a manufacturing facility and is engaged in the fabrication, construction and assembling of building supplies and materials into modular buildings, as defined in this section, at a location other than at the site where the modular building will be assembled on the permanent foundation and may or may not be engaged in the process of affixing the modules to the foundation at the permanent site.

"Modular building retailer" means any person that purchases or acquires a modular building from a modular building manufacturer, or from another person, for subsequent sale to a customer residing within or outside of the Commonwealth, with or without installation of the modular building to the foundation at the permanent site.

"Motor vehicle" means a "motor vehicle" as defined in § 58.1-2401, taxable under the provisions of the Virginia Motor Vehicles Sales and Use Tax Act (§ 58.1-2400 et seq.) and upon the sale of which all applicable motor vehicle sales and use taxes have been paid.

"Occasional sale" means a sale of tangible personal property not held or used by a seller in the course of an activity for which ~~he~~ it is required to hold a certificate of registration, including the sale or exchange of all or substantially all the assets of any business and the reorganization or liquidation of any business, provided that such sale or exchange is not one of a series of sales and exchanges sufficient in number, scope and character to constitute an activity requiring the holding of a certificate of registration.

"Open video system" means an open video system authorized pursuant to 47 U.S.C. § 573 and, for purposes of this chapter only, also includes Internet service regardless of whether the provider of such service is also a telephone common carrier.

"Person" includes any individual, firm, copartnership, cooperative, nonprofit membership corporation, joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy, receiver, auctioneer, syndicate, assignee, club, society, or other group or combination acting as a unit, body politic or political subdivision, whether public or private, or quasi-public, and the plural of "person" means the same as the singular.

"Prewritten program" means a computer program that is prepared, held or existing for general or repeated sale or lease, including a computer program developed for in-house use and subsequently sold or leased to unrelated third parties.

"Railroad rolling stock" means locomotives, of whatever motive power, autocars, railroad cars of every kind and description, and all other equipment determined by the Tax Commissioner to constitute railroad rolling stock.

"Remote seller" means any dealer deemed to have sufficient activity within the Commonwealth to require registration under § 58.1-613 under the criteria specified in subdivision C 10 or 11 of § 58.1-612 or any software provider acting on behalf of such dealer.

"Retail sale" or a "sale at retail" means a sale to any person for any purpose other than for resale in the form of tangible personal property or services taxable under this chapter, and shall include any such transaction as the Tax Commissioner upon investigation finds to be in lieu of a sale. All sales for resale must be made in strict compliance with regulations applicable to this chapter. Any dealer making a sale for resale which is not in strict compliance with such regulations shall be personally liable for payment of the tax.

The terms "retail sale" and a "sale at retail" specifically include the following: (i) the sale or charges for any room or rooms, lodgings, or accommodations furnished to transients for less than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a consideration; (ii) sales of tangible personal property to persons for resale when because of the operation of the business, or its very nature, or the lack of a place of business in which to display a certificate of registration, or the lack of a place of business in which to keep records, or the lack of adequate records, or because such persons are minors or transients, or because such persons are engaged in essentially service businesses, or for any other reason there is likelihood that the Commonwealth will lose tax funds due to the difficulty of policing such business operations; (iii) the separately stated charge made for automotive refinish repair materials that are permanently applied to or affixed to a motor vehicle during its repair; and (iv) the separately stated charge for equipment available for lease or purchase by a provider of satellite television programming to the customer of such programming. Equipment sold to a provider of satellite television programming for subsequent lease or purchase by the customer of such programming shall be deemed a sale for resale. The Tax Commissioner is authorized to promulgate regulations requiring vendors of or sellers to such persons to collect the tax imposed by this chapter on the cost price of such tangible personal property to such persons and may refuse to issue certificates of registration to such persons. The terms "retail sale" and a "sale at retail" also specifically include the separately stated charge made for supplies used during automotive repairs whether or not there is transfer of title or possession of the supplies and whether or not the supplies are attached to the automobile. The purchase of such supplies by an automotive repairer for sale to the customer of such repair services shall be deemed a sale for resale.

The term "transient" does not include a purchaser of camping memberships, time-shares, condominiums, or other similar contracts or interests that permit the use of, or constitute an interest in, real estate, however created or sold and whether registered with the Commonwealth or not. Further, a purchaser of a right or license which entitles the purchaser to use the amenities and facilities of a specific real estate project on an ongoing basis throughout its term shall not be deemed a transient, provided, however, that the term or time period involved is for seven years or more.

The terms "retail sale" and "sale at retail" do not include a transfer of title to tangible personal property after its use as tools, tooling, machinery or equipment, including dies, molds, and patterns, if (i) at the time of purchase, the purchaser is obligated, under the terms of a written contract, to make the transfer and (ii) the transfer is made for the same or a greater consideration to the person for whom the purchaser manufactures goods.

"Retailer" means every person engaged in the business of making sales at retail, or for distribution, use, consumption, or storage to be used or consumed in the Commonwealth.

"Sale" means any transfer of title or possession, or both, exchange, barter, lease or rental, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property and any rendition of a taxable service for a consideration, and includes the fabrication of tangible personal property for consumers who furnish, either directly or indirectly, the materials used in fabrication, and the furnishing, preparing, or serving for a consideration of any tangible personal property consumed on the premises of the person furnishing, preparing, or serving such tangible personal property. A transaction whereby the possession of property is transferred but the seller retains title as security for the payment of the price shall be deemed a sale.

"Sales price" means the total amount for which tangible personal property or services are sold, including any services that are a part of the sale, valued in money, whether paid in money or otherwise, and includes any amount for which credit is given to the purchaser, consumer, or lessee by the dealer, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, losses or any other expenses whatsoever. "Sales price" does not include (i) any cash discount allowed and taken; (ii) finance charges, carrying charges, service charges or interest from credit extended on sales of tangible personal property under conditional sale contracts or other conditional contracts providing for deferred payments of the purchase price; (iii) separately stated local property taxes collected; (iv) that portion of the amount paid by the purchaser as a discretionary gratuity added to the price of a meal; or (v) that portion of the amount paid by the purchaser as a mandatory gratuity or service charge added by a restaurant to the price of a meal, but only to the extent that such mandatory gratuity or service charge does not exceed 20 percent of the price of the meal. Where used articles are taken in trade, or in a series of trades as a credit or part payment on the sale of new or used articles, the tax levied by this chapter shall be paid on the net difference between the sales price of the new or used articles and the credit for the used articles.

"Semiconductor cleanrooms" means the integrated systems, fixtures, piping, partitions, flooring, lighting, equipment, and all other property used to reduce contamination or to control airflow, temperature, humidity, vibration, or other environmental conditions required for the integrated process of semiconductor manufacturing.

"Semiconductor equipment" means (i) machinery or tools or repair parts or replacements thereof; (ii) the related accessories, components, pedestals, bases, or foundations used in connection with the operation of the equipment, without regard to the proximity to the equipment, the method of attachment, or whether the equipment or accessories are affixed to the realty; (iii) semiconductor wafers and other property or supplies used to install, test, calibrate or recalibrate, characterize, condition, measure, or maintain the equipment and settings thereof; and (iv) equipment and supplies used for quality control testing of product, materials, equipment, or processes; or the measurement of equipment performance or production parameters regardless of where or when the quality control, testing, or measuring activity takes place, how the activity affects the operation of equipment, or whether the equipment and supplies come into contact with the product.

"Storage" means any keeping or retention of tangible personal property for use, consumption or distribution in the Commonwealth, or for any purpose other than sale at retail in the regular course of business.

"Tangible personal property" means personal property that may be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. "Tangible personal property" does not include stocks, bonds, notes, insurance or other obligations or securities. "Tangible personal property" includes (i) telephone calling cards upon their initial sale, which shall be exempt from all other state and local utility taxes, and (ii) manufactured signs.

"Use" means the exercise of any right or power over tangible personal property incident to the ownership thereof, except that it does not include the sale at retail of that property in the regular course of business. "Use" does not include the exercise of any right or power, including use, distribution, or storage, over any tangible personal property sold to a nonresident donor for delivery outside of the Commonwealth to a nonresident recipient pursuant to an order placed by the donor from outside the Commonwealth via mail or telephone. "Use" does not include any sale determined to be a gift transaction, subject to tax under § 58.1-604.6.

"Use tax" refers to the tax imposed upon the use, consumption, distribution, and storage as defined in this section.

"Used directly," when used in relation to manufacturing, processing, refining, or conversion, refers to those activities that are an integral part of the production of a product, including all steps of an integrated manufacturing or mining process, but not including ancillary activities such as general maintenance or administration. When used in relation to mining, "used directly" refers to the activities specified in this definition and, in addition, any reclamation activity of the land previously mined by the mining company required by state or federal law.

"Video programmer" means a person that provides video programming to end-user subscribers.

"Video programming" means video and/or information programming provided by or generally considered comparable to programming provided by a cable operator, including, but not limited to, Internet service.

§ 58.1-604. (Contingent expiration date) Imposition of use tax.

There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount of 4.3 percent:

1. Of the cost price of each item or article of tangible personal property used or consumed in this Commonwealth. Tangible personal property that has been acquired for use outside this Commonwealth and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost price if such property is brought within this Commonwealth for use within six months of its acquisition; but if so brought within this Commonwealth six months or more after its acquisition, such property shall be taxed on the basis of the current market value (but not in excess of its cost price) of such property at the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the cost price or current market value as the duration of time of use within this Commonwealth bears to the total useful life of such property (but it shall be presumed in all cases that such property will remain within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to the contrary).

2. Of the cost price of each item or article of tangible personal property stored outside this Commonwealth for use or consumption in this Commonwealth.

3. A transaction taxed under § 58.1-603 shall not also be taxed under this section, nor shall the same transaction be taxed more than once under either section.

4. The use tax shall not apply with respect to the use of any article of tangible personal property brought into this Commonwealth by a nonresident individual, visiting in Virginia, for his personal use, while within this Commonwealth.

§ 58.1-604. (Contingent effective date) Imposition of use tax.

There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount of three and one-half percent through midnight on July 31, 2004, and four percent beginning on and after August 1, 2004:

1. Of the cost price of each item or article of tangible personal property used or consumed in this Commonwealth. Tangible personal property which has been acquired for use outside this Commonwealth and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost price if such property is brought within this Commonwealth for use within six months of its acquisition; but if so brought within this Commonwealth six months or more after its acquisition, such property shall be taxed on the basis of the current market value (but not in excess of its cost price) of such property at the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the cost price or current market value as the duration of time of use within this Commonwealth bears to the total useful life of such property (but it shall be presumed in all cases that such property will remain within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to the contrary).

2. Of the cost price of each item or article of tangible personal property stored outside this Commonwealth for use or consumption in this Commonwealth.

3. A transaction taxed under § 58.1-603 shall not also be taxed under this section, nor shall the same transaction be taxed more than once under either section.

4. The use tax shall not apply with respect to the use of any article of tangible personal property brought into this Commonwealth by a nonresident individual, visiting in Virginia, for his personal use, while within this Commonwealth.

§ 58.1-605. (Contingent expiration date) To what extent and under what conditions cities and counties may levy local sales taxes; collection thereof by Commonwealth and return of revenue to each city or county entitled thereto.

A. No county, city or town shall impose any local general sales or use tax or any local general retail sales or use tax except as authorized by this section.

B. The council of any city and the governing body of any county may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of such city or county. Such tax shall be added to the rate of the state sales tax imposed by §§ 58.1-603 and 58.1-604 and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on a local sales tax.

C. 1. The council of any city and the governing body of any county desiring to impose a local sales tax under this section may do so by the adoption of an ordinance stating its purpose and referring to this section, and providing that such ordinance shall be effective on the first day of a month at least 60 days after its adoption. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

2. Prior to any change in the rate of any local sales and use tax, the Tax Commissioner shall provide remote sellers with at least 30 days' notice. Any change in the rate of any local sales and use tax shall only become effective on the first day of a calendar quarter. Failure to provide notice pursuant to this section shall require the Commonwealth and the locality to apply the preceding effective rate until 30 days after notification is provided.

D. Any local sales tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax.

E. All local sales tax moneys collected by the Tax Commissioner under this section shall be paid into the state treasury to the credit of a special fund which is hereby created on the Comptroller's books under the name "Collections of Local Sales Taxes." Such local sales tax moneys shall be credited to the account of each particular city or county levying a local sales tax under this section. The basis of such credit shall be the city or county in which the sales were made as shown by the records of the Department and certified by it monthly to the Comptroller, namely, the city or county of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the city or county of possible use by the purchasers. If a dealer has any place of business located in more than one political subdivision by reason of the boundary line or lines passing through such place of business, the amount of sales tax paid by such a dealer with respect to such place of business shall be treated for the purposes of this section as follows: one-half shall be assignable to each political subdivision where two are involved, one-third where three are involved, and one-fourth where four are involved.

F. As soon as practicable after the local sales tax moneys have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of each city or county entitled to the monthly return of its local sales tax moneys, and such payments shall be charged to the account of each such city or county under the special fund created by this section. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payments for the next two months as follows: one-half of the total adjustment shall be included in the payments for the next two months. In addition, the payment shall include a refund of amounts erroneously not paid to the city or county and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

G. Such payments to counties are subject to the qualification that in any county wherein is situated any incorporated town constituting a special school district and operated as a separate school district under a town school board of three members appointed by the town council, the county treasurer shall pay into the town treasury for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of such town bears to the school age population of the entire county. If the school age population of any town constituting a separate school district is increased by the annexation of territory since the last estimate of school age population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such estimate and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

H. One-half of such payments to counties are subject to the further qualification, other than as set out in subsection G, that in any county wherein is situated any incorporated town not constituting a separate special school district which has complied with its charter provisions providing for the election of its council and mayor for a period of at least four years immediately prior to the adoption of the sales tax ordinance, the county treasurer shall pay into the town treasury of each such town for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of each such town bears to the school age population of the entire county, based on the latest estimate provided by the Weldon Cooper Center for Public Service. The preceding requirement pertaining to the time interval between compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city. If the school age population of any such town not constituting a separate special school district is increased by the annexation of territory or otherwise since the last estimate of school age population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such estimate and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

I. Notwithstanding the provisions of subsection H, the board of supervisors of a county may, in its discretion, appropriate funds to any incorporated town not constituting a separate school district within such county which has not complied with the provisions of its charter relating to the elections of its council and mayor, an amount not to exceed the amount it would have received from the tax imposed by this chapter if such election had been held.

J. It is further provided that if any incorporated town which would otherwise be eligible to receive funds from the county treasurer under subsection G or H of this section be located in a county which does not levy a general retail sales tax under the provisions of this law, such town may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of the town, subject to all the provisions of this section generally applicable to cities and counties. Any tax levied under the authority of this subsection shall in no case continue to be levied on or after the effective date of a county ordinance imposing a general retail sales tax in the county within which such town is located.

§ 58.1-612. Tax collectible from dealers; "dealer" defined; jurisdiction.

A. The tax levied by §§ 58.1-603 and 58.1-604 shall be collectible from all persons that are dealers, as defined in this section, and that have sufficient contact with the Commonwealth to qualify under (i)subsections B and C or (ii) subsections B and D.

B. As used in this chapter, "dealer" includes every person that:

1. Manufactures or produces tangible personal property for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;

2. Imports or causes to be imported into this Commonwealth tangible personal property from any state or foreign country, for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;

3. Sells at retail, or that offers for sale at retail, or that has in its possession for sale at retail, or for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth, tangible personal property;

4. Has sold at retail, used, consumed, distributed, or stored for use or consumption in this Commonwealth, tangible personal property and that cannot prove that the tax levied by this chapter has been paid on the sale at retail, the use, consumption, distribution, or storage of such tangible personal property;

5. Leases or rents tangible personal property for a consideration, permitting the use or possession of such property without transferring title thereto;

6. Is the lessee or rentee of tangible personal property and that pays to the owner of such property a consideration for the use or possession of such property without acquiring title thereto;

7. As a representative, agent, or solicitor, of an out-of-state principal, solicits, receives and accepts orders from persons in this Commonwealth for future delivery and whose principal refuses to register as a dealer under § 58.1-613; or

8. Becomes liable to and owes this Commonwealth any amount of tax imposed by this chapter, whether it holds, or is required to hold, a certificate of registration under § 58.1-613.

C. A dealer shall be deemed to have sufficient activity within the Commonwealth to require registration under § 58.1-613 if it:

1. Maintains or has within this Commonwealth, directly or through an agent or subsidiary, an office, warehouse, or place of business of any nature;

2. Solicits business in this Commonwealth by employees, independent contractors, agents or other representatives;

3. Advertises in newspapers or other periodicals printed and published within this Commonwealth, on billboards or posters located in this Commonwealth, or through materials distributed in this Commonwealth by means other than the United States mail;

4. Makes regular deliveries of tangible personal property within this Commonwealth by means other than common carrier. A person shall be deemed to be making regular deliveries hereunder if vehicles other than those operated by a common carrier enter this Commonwealth more than 12 times during a calendar year to deliver goods sold by him;

5. Solicits business in this Commonwealth on a continuous, regular, seasonal, or systematic basis by means of advertising that is broadcast or relayed from a transmitter within this Commonwealth or distributed from a location within this Commonwealth;

6. Solicits business in this Commonwealth by mail, if the solicitations are continuous, regular, seasonal, or systematic and if the dealer benefits from any banking, financing, debt collection, or marketing activities occurring in this Commonwealth or benefits from the location in this Commonwealth of authorized installation, servicing, or repair facilities;

7. Is owned or controlled by the same interests which own or control a business located within this Commonwealth;

8. Has a franchisee or licensee operating under the same trade name in this Commonwealth if the franchisee or licensee is required to obtain a certificate of registration under § 58.1-613;

9. Owns tangible personal property that is for sale located in this Commonwealth, or that is rented or leased to a consumer in this Commonwealth, or offers tangible personal property, on approval, to consumers in this Commonwealth;

10. Receives more than $100,000 in gross revenue, or other minimum amount as may be required by federal law, from retail sales 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 shall be aggregated; or

11. Engages in 200 or more separate retail 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 shall be aggregated.

D. A dealer is presumed to have sufficient activity within the Commonwealth to require registration under § 58.1-613 (unless the presumption is rebutted as provided herein) if any commonly controlled person maintains a distribution center, warehouse, fulfillment center, office, or similar location within the Commonwealth that facilitates the delivery of tangible personal property sold by the dealer to its customers. The presumption in this subsection may be rebutted by demonstrating that the activities conducted by the commonly controlled person in the Commonwealth are not significantly associated with the dealer's ability to establish or maintain a market in the Commonwealth for the dealer's sales. For purposes of this subsection, a "commonly controlled person" means any person that is a member of the same "controlled group of corporations," as defined in § 1563(a) of the Internal Revenue Code of 1954, as amended or renumbered, as the dealer or any other entity that, notwithstanding its form of organization, bears the same ownership relationship to the dealer as a corporation that is a member of the same "controlled group of corporations," as defined in § 1563(a) of the Internal Revenue Code of 1954, as amended or renumbered.

E. Notwithstanding any other provision of this section, the following shall not be considered to determine whether a person that has contracted with a commercial printer for printing in the Commonwealth is a "dealer" and whether such person has sufficient contact with the Commonwealth to be required to register under § 58.1-613:

1. The ownership or leasing by that person of tangible or intangible property located at the Virginia premises of the commercial printer which is used solely in connection with the printing contract with the person;

2. The sale by that person of property of any kind printed at and shipped or distributed from the Virginia premises of the commercial printer;

3. Activities in connection with the printing contract with the person performed by or on behalf of that person at the Virginia premises of the commercial printer; and

4. Activities in connection with the printing contract with the person performed by the commercial printer within Virginia for or on behalf of that person.

F. In addition to the jurisdictional standards contained in subsections C and D, nothing contained in this chapter other than in subsection E shall limit any authority that this Commonwealth may enjoy under the provisions of federal law or an opinion of the United States Supreme Court to require the collection of sales and use taxes by any dealer that regularly or systematically solicits sales within this Commonwealth. Furthermore, nothing contained in subsection C shall require any broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher which broadcasts, publishes, or displays or distributes paid commercial advertising in this

Commonwealth which is intended to be disseminated primarily to consumers located in this Commonwealth to report or impose any liability to pay any tax imposed under this chapter solely because such broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher accepted such advertising contracts from out-of-state advertisers or sellers.

§ 58.1-612.1. Tax collectible from marketplace facilitators; "marketplace facilitator" defined.

A. As used in this chapter:

"Marketplace facilitator" means a person that contracts with a marketplace seller to facilitate, for consideration and regardless of whether such consideration is deducted as fees from transactions, the sale of such marketplace seller's products through a physical or electronic marketplace operated by such person. "Marketplace facilitator" does not include a payment processor business appointed by a merchant to handle payment transactions from various channels, such as credit cards and debit cards, and whose sole activity with respect to marketplace sales is to handle transactions between two parties. "Marketplace facilitator" does not include a platform or forum that exclusively provides internet advertising services, including any advertisements that may list products for sale, so long as such platform or forum does not also engage directly or indirectly through one or more commonly controlled persons, as defined in subsection D of § 58.1-612, in the activities described in subsection C.

"Marketplace seller" means a person that is not a commonly controlled person, as defined in subsection D of § 58.1-612, to a marketplace facilitator and that makes sales through any physical or electronic marketplace operated by such marketplace facilitator, even if such seller would not have been required to collect and remit sales and use tax had the sale not been made through such marketplace.

B. The tax levied under this chapter shall be collectible from all persons that are marketplace facilitators that have sufficient contact with Virginia to require registration under subsection C.

C. A marketplace facilitator shall be deemed to have sufficient activity within the Commonwealth to require registration under § 58.1-613 if it meets at least one requirement in each of subdivisions 1, 2, and 3:

1. It engages, either directly or indirectly, through a commonly controlled person as defined in subsection D of § 58.1-612 in any of the following activities:

a. Transmitting or communicating an offer or acceptance between a purchaser and a marketplace seller;

b. Owning or operating the infrastructure, whether electronic or physical, or technology that brings purchasers and marketplace sellers together; or

c. Providing a virtual currency that purchasers are allowed or required to use to purchase products from the marketplace seller;

2. It engages in any of the following activities with respect to a marketplace seller's products:

a. Payment processing;

b. Fulfillment or storage;

c. Listing products for sale;

d. Setting prices;

e. Branding sales as those of the marketplace facilitator; or

f. Providing customer service or accepting or assisting with returns or exchanges; and

3. It establishes economic nexus through either of the following activities:

a. Facilitating sales in Virginia that, in the aggregate, generate more than $100,000 in gross revenue, or other minimum amount as may be required by federal law, for such marketplace facilitator. A marketplace facilitator may exceed this threshold based on sales for either the previous or current calendar year. In determining the amount of a marketplace facilitator's gross revenues, the sales made by all commonly controlled persons, as defined in subsection D of § 58.1-612, shall be aggregated; or

b. Facilitating 200 or more separate retail sale transactions, or other minimum amount as may be required by federal law, in the Commonwealth in the previous or current calendar year. In determining the total number of retail sales transactions attributable to a marketplace facilitator, the sales made by all commonly controlled persons, as defined in subsection D of § 58.1-612, shall be aggregated.

D. 1. A marketplace facilitator shall be considered a dealer for purposes of this chapter and shall collect the tax imposed by this chapter on all transactions that it facilitates through its marketplace.

2. No marketplace seller shall collect sales and use tax on a transaction made through a marketplace facilitator's marketplace.

3. Notwithstanding the provisions of subdivisions 1 and 2, the Department shall allow for a waiver from the requirements of subdivisions 1 and 2 if a marketplace facilitator demonstrates, to the satisfaction of the Commissioner, that either (i) all of its marketplace sellers already are registered dealers under § 58.1-613 or (ii) the marketplace seller has sufficient nexus to require registration under § 58.1-613 and that collection of the tax by the marketplace facilitator for such marketplace seller would create an undue burden or hardship for either party. If such waiver is granted, the tax levied under this chapter shall be collectible from the marketplace seller. The Department shall develop guidelines that establish (a) the criteria for obtaining a waiver pursuant to this section, (b) the process and procedure for a marketplace facilitator to apply for a waiver, and (c) the process for providing notice to an affected marketplace facilitator and marketplace seller of a waiver obtained pursuant to this subdivision.

E. A market place facilitator shall be relieved from liability, including penalties and interest, for the incorrect collection or remittance of sales and use tax on transactions it facilitates or for which it is the seller if the error is due to reasonable reliance on (i) an invalid exemption certificate provided by the marketplace seller or the purchaser; (ii) incorrect or insufficient information provided by the Commonwealth; or (iii) incorrect or insufficient information provided by the marketplace seller or purchaser regarding the tax classification or proper sourcing of an item or transaction, provided that the marketplace facilitator can demonstrate it made a reasonable effort to obtain accurate information from the marketplace seller or purchaser. The relief from liability afforded to the marketplace facilitator pursuant to this subsection shall not exceed the total amount of tax due from the marketplace facilitator on the incorrect transaction independent of any penalties or interest that would have otherwise applied. Any deficiency resulting from incorrect information provided by the marketplace seller or as the result of an audit shall be the liability of the marketplace seller.

F. A marketplace facilitator is the sole entity subject to audit by the Department for sales and use tax collection for all transactions facilitated by the marketplace facilitator unless (i) the marketplace facilitator can demonstrate that its failure to collect the proper tax was

due to incorrect information provided by the marketplace seller or (ii) the marketplace seller is subject to a waiver granted pursuant to subdivision D 3.

G. If a marketplace facilitator lacks physical presence in the Commonwealth and has both facilitated and made direct sales into the Commonwealth, both types of sales shall be considered in determining whether it has established economic nexus.

H. When a marketplace seller that is not otherwise required to register for the collection of the tax under any of the provisions contained in subdivisions C 1 through 9 of § 58.1-612 makes both direct sales and sales on a marketplace facilitator's marketplace, only the marketplace seller's direct sales shall be considered in determining whether the marketplace seller is required to register for the collection of the tax under subdivision C 10 or 11 of § 58.1-612.

I. No class action shall be brought against a marketplace facilitator in any court of the Commonwealth on behalf of customers arising from or in any way related to an overpayment of sales and use tax collected on sales facilitated by the marketplace facilitator, regardless of whether such claim is characterized as a tax refund claim. Nothing in this subsection shall affect a customer's right to seek a refund on an individual basis.

§ 58.1-615. (Contingent expiration date) Returns by dealers.

A. Every dealer required to collect or pay the sales or use tax shall, on or before the twentieth day of the month following the month in which the tax shall become effective, transmit to the Tax Commissioner a return showing the gross sales, gross proceeds, or cost price, as the case may be, arising from all transactions taxable under this chapter during the preceding calendar month, and thereafter a like return shall be prepared and transmitted to the Tax Commissioner by every dealer on or before the twentieth day of each month, for the preceding calendar month. In the case of dealers regularly keeping books and accounts on the basis of an annual period which varies 52 to 53 weeks, the Tax Commissioner may make rules and regulations for reporting consistent with such accounting period.

Notwithstanding any other provision of this chapter, a dealer may be required by the Tax Commissioner to file sales or use tax returns on an accounting period less frequent than monthly when, in the opinion of the Tax Commissioner, the administration of the taxes imposed by this chapter would be enhanced. If a dealer is required to file other than monthly, each such return shall be due on or before the twentieth day of the month following the close of the period. Each such return shall contain all information required for monthly returns.

A sales or use tax return shall be filed by each registered dealer even though the dealer is not liable to remit to the Tax Commissioner any tax for the period covered by the return.

The Tax Commissioner shall not require that more than one sales and use tax return per month be filed with the Department by any remote seller or any software provider on behalf of such remote seller.

B. [Expired.]

C. Any return required to be filed with the Tax Commissioner under this section shall be deemed to have been filed with the Tax Commissioner on the date that such return is delivered by the dealer to the commissioner of the revenue or the treasurer for the locality in which the dealer is located and receipt is acknowledged by the commissioner of the revenue or treasurer. The commissioner of the revenue or the treasurer shall stamp such date on the return, and shall mail the return to the Tax Commissioner no later than the following business day. The commissioner of the revenue or the treasurer may collect from the dealer the cost of postage for such mailing.

D. Every dealer that elects to file a consolidated sales tax return for any taxable period and that is required to remit payment by electronic funds transfer pursuant to subsection B of § 58.1-202.1 beginning on and after July 1, 2010, shall file its monthly return using an electronic medium prescribed by the Tax Commissioner. A waiver of this requirement may be granted if the Tax Commissioner determines that it creates an unreasonable burden on the dealer.

§ 58.1-625. (Effective until July 1, 2022) Collection of tax.

A. The tax levied by this chapter shall be paid by the dealer, but the dealer shall separately state the amount of the tax and add such tax to the sales price or charge. Thereafter, such tax shall be a debt from the purchaser, consumer, or lessee to the dealer until paid and shall be recoverable at law in the same manner as other debts. No action at law or suit in equity under this chapter may be maintained in this Commonwealth by any dealer that is not registered under § 58.1-613 or is delinquent in the payment of the taxes imposed under this chapter.

B. Notwithstanding any exemption from taxes which any dealer now or hereafter may enjoy under the Constitution or laws of this or any other state, or of the United States, such dealer shall collect such tax from the purchaser, consumer, or lessee and shall pay the same over to the Tax Commissioner as herein provided.

C. Any dealer collecting the sales or use tax on transactions exempt or not taxable under this chapter shall transmit to the Tax Commissioner such erroneously or illegally collected tax unless or until it can affirmatively show that the tax has since been refunded to the purchaser or credited to its account.

D. 1. Any dealer that neglects, fails, or refuses to collect such tax upon every taxable sale, distribution, lease, or storage of tangible personal property made by it, its agents, or employees shall be liable for and pay the tax itself, and such dealer shall not thereafter be entitled to sue for or recover in this Commonwealth any part of the purchase price or rental from the purchaser until such tax is paid. Moreover, any dealer that neglects, fails, or refuses to pay or collect the tax herein provided, either by itself or through its agents or employees, is guilty of a Class 1 misdemeanor.

2. Notwithstanding subdivision 1, any remote seller or marketplace facilitator that has collected an incorrect amount of sales and use tax shall be relieved from liability for such amount, including any penalty or interest, if the error is a result of the remote seller's or marketplace facilitator's reasonable reliance on information provided by the Commonwealth.

E. All sums collected by a dealer as required by this chapter shall be deemed to be held in trust for the Commonwealth.

F. Notwithstanding the foregoing provisions of this section, any dealer is authorized during the period of time set forth in §§ 58.1-611.2 and 58.1-611.3 or subdivision 18 of § 58.1-609.1 not to collect the tax levied by this chapter or levied under the authority granted in §§ 58.1-605 and 58.1-606 from the purchaser, and to absorb such tax itself. A dealer electing to absorb such taxes shall be liable for payment of such taxes to the Tax Commissioner in the same manner as it is for tax collected from a purchaser pursuant to this section.

§58.1-625. (Effective July 1, 2022) Collection of tax.

A. The tax levied by this chapter shall be paid by the dealer, but the dealer shall separately state the amount of the tax and add such tax to the sales price or charge. Thereafter, such tax shall be a debt from the purchaser, consumer, or lessee to the dealer until paid and shall be recoverable at law in the same manner as other debts. No action at law or suit in equity under this chapter may be maintained in

this Commonwealth by any dealer that is not registered under § 58.1-613 or is delinquent in the payment of the taxes imposed under this chapter.

B. Notwithstanding any exemption from taxes which any dealer now or hereafter may enjoy under the Constitution or laws of this or any other state, or of the United States, such dealer shall collect such tax from the purchaser, consumer, or lessee and shall pay the same over to the Tax Commissioner as herein provided.

C. Any dealer collecting the sales or use tax on transactions exempt or not taxable under this chapter shall transmit to the Tax Commissioner such erroneously or illegally collected tax unless or until it can affirmatively show that the tax has since been refunded to the purchaser or credited to its account.

D. 1. Any dealer that neglects, fails, or refuses to collect such tax upon every taxable sale, distribution, lease, or storage of tangible personal property made by it, its agents, or employees shall be liable for and pay the tax itself, and such dealer shall not thereafter be entitled to sue for or recover in this Commonwealth any part of the purchase price or rental from the purchaser until such tax is paid. Moreover, any dealer that neglects, fails, or refuses to pay or collect the tax herein provided, either by itself or through its agents or employees, is guilty of a Class 1 misdemeanor.

2. Notwithstanding subdivision 1, any remote seller or marketplace facilitator that has collected an incorrect amount of sales and use tax shall be relieved from liability for such amount, including any penalty or interest, if the error is a result of the remote seller's or marketplace facilitator's reasonable reliance on information provided by the Commonwealth.

E. All sums collected by a dealer as required by this chapter shall be deemed to be held in trust for the Commonwealth.

F. Notwithstanding the foregoing provisions of this section, any dealer is authorized during the period of time set forth in § 58.1-611.2 not to collect the tax levied by this chapter or levied under the authority granted in §§ 58.1-605 and 58.1-606 from the purchaser, and to absorb such tax itself. A dealer electing to absorb such taxes shall be liable for payment of such taxes to the Tax Commissioner in the same manner as it is for tax collected from a purchaser pursuant to this section.

§ 58.1-635. (Contingent expiration date) Failure to file return; fraudulent return; civil penalties.

A. When any dealer fails to make any return and pay the full amount of the tax required by this chapter, there shall be imposed, in addition to other penalties provided herein, a specific penalty to be added to the tax in the amount of six percent if the failure is for not more than one month, with an additional six percent for each additional month, or fraction thereof, during which the failure continues, not to exceed 30 percent in the aggregate. In no case, however, shall the penalty be less than $10 and such minimum penalty shall apply whether or not any tax is due for the period for which such return was required. If such failure is due to providential or other good cause shown to the satisfaction of the Tax Commissioner, such return with or without remittance may be accepted exclusive of penalties. In the case of a false or fraudulent return where willful intent exists to defraud the Commonwealth of any tax due under this chapter, or in the case of a willful failure to file a return with the intent to defraud the Commonwealth of any such tax, a specific penalty of 50 percent of the amount of the proper tax shall be assessed. All penalties and interest imposed by this chapter shall be payable by the dealer and collectible by the Tax Commissioner in the same manner as if they were a part of the tax imposed.

B. It shall be prima facie evidence of intent to defraud the Commonwealth of any tax due under this chapter when any dealer reports its gross sales, gross proceeds or cost price, as the case may be, at 50 percent or less of the actual amount.

C. Interest at a rate determined in accordance with § 58.1-15, shall accrue on the tax until the same is paid, or until an assessment is made, pursuant to § 58.1-15, after which interest shall accrue as provided therein.

D. Notwithstanding any other provision of this section, any remote seller or marketplace facilitator that has collected an incorrect amount of sales and use tax shall be relieved from liability for such amount, including any penalty or interest, if the error is a result of the remote seller's or marketplace facilitator's reasonable reliance on information provided by the Commonwealth.

8. That the provisions of Chapter 766 of the Acts of Assembly of 2013 amending §§ 58.1-601, 58.1-602, 58.1-605, 58.1-606, 58.1-612, 58.1-615, and 58.1-635, as they may become effective, of the Code of Virginia are repealed.

9. That the fourth enactment of Chapter 766 of the Acts of Assembly of 2013 is amended and reenacted as follows:

4. That Article 22 (§§ 58.1-540 through 58.1-549) of Chapter 3 of Title 58.1 of the Code of Virginia, § 58.1-2289, as it may become effective, 58.1-2290, and 58.1-2701, as it may become effective, of the Code of Virginia and the second enactment of Chapter 822 of the Acts of Assembly of 2009, as amended by Chapter 535 of the Acts of Assembly of 2012, are repealed.

10. That the seventh and fifteenth enactments of Chapter 766 of the Acts of Assembly of 2013 and the twelfth enactment of Chapter 684 of the Acts of Assembly of 2015, as amended by Chapters 854 and 856 of the Acts of Assembly of 2018, are repealed.

11. That nothing in this act shall be construed to appropriate or transfer any transportation revenues for nontransportation purposes pursuant to the twenty-second enactment of Chapter 896 of the Acts of Assembly of 2007 or the fourteenth enactment of Chapter 766 of the Acts of Assembly of 2013.

12. That the provisions of this act requiring remote sales and use tax collection by remote sellers and marketplace facilitators shall not apply to any retail sales transactions occurring before July 1, 2019; however, transactions occurring before July 1, 2019, may be included in the calculation of gross revenue or retail transactions pursuant to the provisions of subdivisions C 10 and 11 of § 58.1-612 of the Code of Virginia, as amended by this act. Notwithstanding the sixth enactment clause of House Bill 1722, 2019 Acts of Assembly, and the sixth enactment clause of Senate Bill 1083, 2019 Acts of Assembly, the Department of Taxation is not permitted to temporarily suspend or delay the collection or reporting requirements, or both, of a marketplace facilitator.

13. That the Department of Taxation shall develop guidelines implementing the provisions of the seventh and twelth enactment clauses of this act, including guidelines implementing the provisions of subsection D of § 58.1-612.1 of the Code of Virginia, as created by this act, creating a waiver. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

14. That should any portion of this act be held unconstitutional by a court of competent jurisdiction, the remaining portions of this act shall remain in effect.

15. That the provisions of the seventh enactment of this Act shall apply beginning July 1, 2019.

16. That § 58.1-638.2 of the Code of Virginia is repealed.

17. That the fifth enactment of Chapter 17 of the Acts of Assembly of 2019 and the fifth enactment of Chapter 18 of the Acts of Assembly of 2019, are repealed.

18. a. In anticipation of the collection of taxes and revenues of the Commonwealth, for fiscal year 2020, the Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, pursuant to Article X, Section 9 (a)(2) of the Constitution of Virginia, as the case may be, at one time or from time to time, tax and revenue anticipation notes ("9(a)(2) Notes ") of the Commonwealth, including 9(a)(2) Notes issued as commercial paper. The proceeds of such 9(a)(2) Notes, excluding amounts needed to fund issuance costs, reserve funds, and other financing expenses, shall be used exclusively for the purpose of providing funds, together with any other available funds, to help manage the cash flow impact of actual or potential reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic, and including the payment of operating expenses incurred or to be incurred in anticipation of the collection of taxes and revenues by the Commonwealth.

b. In addition, in anticipation of the collection of taxes and revenues of the Commonwealth, and its counties, cities and towns, for fiscal year 2020, the Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, pursuant to Article X, Section 9 (d) of the Constitution of Virginia, as the case may be, at one time or from time to time, tax and revenue anticipation notes of the Commonwealth ("9(d) Notes " and together with the 9(a)(2) Notes authorized in the foregoing paragraph, "Notes ")), including 9(d) Notes issued as commercial paper. The proceeds of such 9(d) Notes, excluding amounts needed to fund issuance costs, reserve funds, and other financing expenses, shall be used exclusively for the purpose of providing funds, together with any other available funds, to help manage the cash flow impact of actual or potential reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic, and including the payment of operating expenses incurred or to be incurred in anticipation of the collection of taxes and revenues by the Commonwealth and its counties, cities and towns, and to purchase or acquire similar notes issued by, or otherwise to assist, cities, counties and towns of the Commonwealth for such purpose. The Governor is authorized to select the counties, cities and towns to participate in the undertakings authorized hereunder and direct the distribution of 9(d) Note proceeds to the particular counties, cities and town, and shall, after consultation with all interested parties, develop a guidance document governing eligibility and priority criteria.

c. The Treasury Board is authorized to issue Notes hereunder in an aggregate principal amount not exceeding $500,000,000 for the benefit of the Commonwealth and in an aggregate principal amount not exceeding $250,000,000 for the benefit of counties, cities and towns, plus in either case amounts needed to fund issuance costs, reserve funds, capitalized interest, and other financing expenses.

d. 9(a)(2) Notes shall mature at such time or times within twelve months from their date or dates, and 9(d) Notes shall mature at such time or times not exceeding two years from their date or dates.

e. The full faith and credit of the Commonwealth shall be pledged to any 9(a)(2) Notes issued under the provisions of this Item. 9(d) Notes issued under the provisions of this item shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but such obligations shall be payable solely, subject to appropriation by the General Assembly, from amounts appropriated from time to time by the General Assembly and from amounts paid by counties, cities and towns that issue bonds, notes or obligations with respect to this Item. There is hereby appropriated a sum sufficient to the Treasury Board for the purpose of paying the debt service on the Notes.

f. The Virginia Resources Authority is authorized to purchase and acquire through proceeds of 9(d) Notes bonds, notes or obligations of counties, cities and towns of the Commonwealth issued for the purposes authorized hereunder and establish the interest rates and repayment terms of such bonds, notes or obligations in accordance with a memorandum of agreement with the Treasury Board and the Authority shall recover its reasonable costs and expenses for doing so from the proceeds of such Notes and for its role in the administration and management of such proceeds.

g. Each county, city, and town is hereby authorized to issue bonds, notes or obligations for the purposes set forth in paragraph (b) above. The authority of any county, city, and town to contract and to issue bonds, notes or obligations pursuant to such authorization is in addition to any existing authority to contract and issue bonds, notes or obligations, anything in the laws of the Commonwealth, including any local charter, to the contrary notwithstanding. The provisions of Virginia Code § 15.2-2659 and § 62.1-216.1 shall apply, mutatis mutandis, with respect to any bond, note or obligation issued by a county, city or town hereunder.

h. The proceeds, including any premium, of the Notes shall be deposited in a special account in the state treasury and, together with the investment income thereon, shall be disbursed by the State Treasurer from time to time for paying all or any part of the expenses or undertakings as set forth in paragraphs (a) and (b) above. The Notes shall be dated and may be made redeemable before their maturity or maturities at such price or prices or within such price parameters, all as may be determined by the Treasury Board, by and with the consent of the Governor, and shall be in such form, shall bear interest at such rate or rates, either at fixed rates or at rates established by formula or other method, and may contain such other provisions, all as determined by the Treasury Board or, when authorized by the Treasury Board, the State Treasurer. The principal of and premium, if any, and the interest on Notes shall be payable in lawful money of the United States of America. Notes may be certificated or uncertificated as determined by the Treasury Board. The Treasury Board may contract for services of such registrars, transfer agents, or other authenticating agents as it deems appropriate to maintain a record of the persons entitled to the Notes. Notes issued in certificated form may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments on the Notes. The Treasury Board shall fix the authorized denomination or denominations of the Notes and the place or places of payment of certificated Notes, which may be at the Office of the State Treasurer or at any bank or trust company within or without the Commonwealth. The Treasury Board may sell Notes in such manner, by competitive bidding, negotiated sale, or private placement with private lenders or governmental agencies, and for such price or within such price parameters as it may determine, by and with the consent of the Governor, to be in the best interest of the Commonwealth. In the discretion of the Treasury Board, Notes may be issued at one time or from time to time. Certificated Notes shall be signed on behalf of the Commonwealth by the Governor and by the State Treasurer, or shall bear their facsimile signatures, and shall bear the lesser seal of the Commonwealth or a facsimile thereof. If the Notes bear the facsimile signature of the State Treasurer, they shall be signed by such administrative assistant as the State Treasurer shall determine or by such registrar or paying agent as may be designated to sign them by the Treasury Board. If any officer whose signature or facsimile signature appears on any Notes ceases to be such officer before delivery, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery, and any Note may bear the facsimile signature of, or may be signed by, such persons as at the actual time of execution are the proper officers to sign such Note, although at the date of such Note, such persons may not have been such officers.

i. The Treasury Board is authorized to create debt service and sinking funds for the payments of the principal of, premium, if any, and interest on the Notes and other funds or reserves desirable or required by any purchaser. Pending the application of the proceeds of the Notes to the purpose for which they have been authorized and the application of funds set aside for the purpose to the payment of Notes, they may be invested by the State Treasurer in securities that are legal investments under the laws of the Commonwealth for public funds and sinking funds, as the case may be. Whenever the State Treasurer receives interest from the investment of the proceeds of Notes, such interest shall become a part of the principal of the Notes and shall be used in the same manner as required for principal of the Notes.

~~17.~~ 19. That the provisions of the first, second, ~~and~~ fifth, and eighteenth enactments of this act shall expire at midnight on June 30, 2020. The provisions of the third, fourth, sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, ~~and~~ sixteenth, and seventeenth enactments shall have no expiration date.

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