

# 2024 SPECIAL SESSION I

INTRODUCED

24200199D

## SENATE BILL NO. 6005

Offered June 16, 2024

A BILL to amend and reenact Chapter 2 of the Acts of Assembly of 2024, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2025, and June 30, 2026, by amending § 3 of the first enactment and Items 71, 113, 258, 292, and 4-5.01 and by adding items numbered 480.10 and C-50.10, relating to the general appropriation act; technical corrections to the front page, state office rent rate for fiscal year 2025, reimbursement for a previously announced economic development project, use of private tax collection funds for systems, language for Medicaid contracts, Virginia Military Survivors and Dependents Education Program tuition waivers, treasury loan authority for electronic gaming device oversight at Virginia Lottery, and the 2024 Public Educational Institution Capital Account Supplement pool.

Patron—Lucas

Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 3 of the first enactment and Items 71, 113, 258, 292, and 4-5.01 of Chapter 2 of the Acts of Assembly of 2024, Special Session I, are amended and reenacted and that Chapter 2 of the Acts of Assembly of 2024, Special Session I, is amended by adding items numbered 480.10 and C-50.10 as follows:

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

	First Year	Second Year	Total
Unreserved Beginning Balance	\$2,989,627,272	\$0	\$2,989,627,272
Additions to Balance	\$47,000,000	(\$500,000)	\$46,500,000
Official Revenue Estimate	\$28,563,750,000	\$30,275,550,000	\$59,839,300,000
			\$58,839,300,000
Transfer	\$1,128,073,149	\$1,714,755,410	\$2,842,828,559
Total General Fund Resources Available for Appropriation	\$32,728,450,421	\$31,989,805,410	\$64,718,255,831

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

	First Year	Second Year	Total
Balance, June 30, 2024	\$12,189,205,926	\$0	\$12,189,205,926
Official Revenue Estimates	\$50,242,785,460	\$52,470,704,871	\$102,713,490,331
Lottery Proceeds Fund	\$877,926,201	\$852,926,201	\$1,730,852,402
	\$902,926,201		\$1,755,852,402
Internal Service Fund	\$2,547,892,953	\$2,613,216,074	\$5,161,109,027
Bond Proceeds	\$834,497,540	\$200,000,000	\$1,034,497,540
	\$895,997,540		\$1,095,997,540
Total Nongeneral Fund Revenues	\$66,692,308,080	\$56,136,847,146	\$122,829,155,226
Available for Appropriation	\$66,778,808,080		\$122,915,655,226
TOTAL PROJECTED REVENUES	\$99,420,758,501	\$88,126,652,556	\$187,547,411,057
	\$99,507,258,501		\$187,633,911,057

	First Year-FY2025	Second Year-FY2026
<b>Item 71</b>		
<b>Physical Plant Management Services (74100)</b>	\$61,649,076	\$55,166,571
Parking Facilities Management (74105)	\$5,502,742	\$5,502,742
Statewide Building Management (74106)	\$47,770,536	\$41,788,031
Statewide Engineering and Architectural Services (74107)	\$7,247,997	\$6,747,997
Seat of Government Mail Services (74108)	\$1,127,801	\$1,127,801
Fund Sources		
General	\$3,628,101	\$3,128,101
Special	\$5,502,742	\$5,502,742
Internal Service	\$52,518,233	\$46,535,728

Authority: Title 2.2, Chapter 11, Articles 4, 6, and 8; § 58.1-3403, Code of Virginia.

A.1. Out of this appropriation, \$46,234,318 the first year and \$40,251,813 the second year for Statewide Building Management represent a sum sufficient internal service fund which shall be paid from revenues

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57 from rental charges assessed to occupants of seat of government buildings controlled, maintained, and  
 58 operated by the Department of General Services and fees paid for other building maintenance and operation  
 59 services provided through service agreements and special work orders. The internal service fund shall support  
 60 the facilities at the seat of government and maintenance and operation of such other state-owned facilities as  
 61 the Governor or department may direct, as otherwise provided by law.

62 2. The rent rate for occupants of office space in seat of government facilities operated and maintained by  
 63 the Department of General Services, excluding the building occupants that currently have maintenance  
 64 service agreements with the department, shall be ~~\$18.70~~ \$15.96 per square foot the first year and \$16.78 the  
 65 second year.

66 3. On or before September 1 of each year, the Department of General Services shall report to the  
 67 Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of  
 68 Administration, and the Department of Planning and Budget regarding the operations and maintenance costs  
 69 of all buildings controlled, maintained, and operated by the Department of General Services. The report shall  
 70 include, but not be limited to, the cost and fund source associated with the following: utilities, maintenance  
 71 and repairs, security, custodial services, groundskeeping, direct administration and other overhead, and any  
 72 other operations or maintenance costs for the most recently concluded fiscal year. The amount of unleased  
 73 space in each building shall also be reported.

74 4. Further, out of the estimated cost for Statewide Building Management, amounts estimated at  
 75 \$3,061,776 the first year and \$3,061,776 the second year shall be paid for Payment in Lieu of Taxes. In  
 76 addition to the amounts for Statewide Building Management, the following sums, estimated at the amounts  
 77 shown for this purpose, are included in the appropriations for the agencies identified:

	FY 2025	FY 2026
Department of Motor Vehicles	\$252,815	\$252,815
Department of State Police	\$797	\$797
Department of Transportation	\$229,540	\$229,540
Department for the Blind and Vision Impaired	\$5,788	\$5,788
Science Museum of Virginia	\$102,171	\$102,171
Virginia Museum of Fine Arts	\$158,513	\$158,513
Virginia Retirement System	\$53,425	\$53,425
Veterans Services	\$174,799	\$174,799
<b>TOTAL</b>	<b>\$977,848</b>	<b>\$979,848</b>

88 B.1. Out of this appropriation, \$6,283,915 the first year and \$6,283,915 the second year for Statewide  
 89 Engineering and Architectural Services provided by the Division of Engineering and Buildings represent a  
 90 sum sufficient internal service fund which shall be paid from revenues from fees paid by state agencies and  
 91 institutions of higher education for the review of architectural, mechanical, and life safety plans of capital  
 92 outlay projects.

93 2. In administering this internal service fund, the Division of Engineering and Buildings (DEB) shall  
 94 provide capital project cost review services to state agencies and institutions of higher education and produce  
 95 capital project cost analysis work products for the Department of Planning and Budget. DEB shall collect  
 96 fees, consistent with those fees authorized above in paragraph B.1, from state agencies and institutions of  
 97 higher education for completed capital project cost review services or work products.

98 3. The hourly rate for engineering and architectural services shall be \$192.00 the first year and \$192.00  
 99 the second year, excluding contracted services and other special rates as authorized pursuant to § 4-5.03 of  
 100 this act.

101 4. Out of the amounts appropriated in this Item, \$464,182 the first year and \$464,182 the second year  
 102 from the general fund is provided for the Division of Engineering and Buildings to support the  
 103 Commonwealth's capital budget and capital pool process for which fees authorized in this paragraph cannot  
 104 otherwise be assessed.

105 C. Interest on the employee vehicle parking fund authorized by § 4-6.04 c of this act shall be added to the  
 106 fund as earned.

107 D. The Department of General Services shall, in conjunction with affected agencies, develop, implement,  
 108 and administer a consolidated mail function to process inbound and outbound mail for agencies located in the  
 109 Richmond metropolitan area. The consolidated mail function shall include the establishment of a centralized  
 110 mail receiving and outbound processing location or locations, and the enhancement of mail security  
 111 capabilities within these location(s).

112 E. All new and renovated state-owned facilities, if the renovations are in excess of 50 percent of the  
 113 structure's assessed value, that are over 5,000 gross square feet shall be designed and constructed consistent  
 114 with energy performance standards at least as stringent as the U.S. Green Building Council's LEED rating  
 115 system or the Green Globes rating system.

116 F. The total service charge for payment in lieu of taxes to the City of Richmond for the property known as  
 117 the General Assembly Building and the State Capitol Building shall not exceed \$70,000 per fiscal year.

118 G. The Director of the Department of General Services shall work with the Commissioner of the  
 119 Department of Transportation and other agencies to maximize the use of light-emitting diodes (LEDs) instead  
 120 of traditional incandescent light bulbs when any state agency installs new outdoor lighting fixtures or replaces  
 121 nonfunctioning light bulbs on existing outdoor lighting fixtures as long as the LEDs lights are determined to  
 122 be cost effective.

123 H. Notwithstanding the provisions of Acts of Assembly 1889, Chapter 24, which is hereby repealed, the  
 124 Department of General Services, in accordance with the direction and instruction of the Governor, shall  
 125 remove and store the Robert E. Lee Monument or any part thereof.

126 I. Out of the appropriation in this item, \$500,000 the first year is provided for the assessment of existing  
 127 systems associated with the management of Commonwealth capital assets for potential upgrades and  
 128 increased capabilities.

Item 113	First Year-FY2025	Second Year-FY2026
<b>Economic Development Services (53400)</b>	<b>\$52,951,862</b>	<b>\$53,451,862</b>
Financial Assistance for Economic Development (53410)	\$5,374,070	\$5,874,070
Economic Development Services (53412)	\$47,577,792	\$47,577,792
Fund Sources		
General	\$52,951,862	\$53,451,862

135 Authority: Title 2.2, Chapter 22, Article 4 and Chapter 51; and § 15.2-941, Code of Virginia.

136 A. Upon authorization of the Governor, the Virginia Economic Development Partnership may transfer  
 137 funds appropriated to it by this act to a nonstock corporation.

138 B. Prior to July 1 of each fiscal year, the Virginia Economic Development Partnership shall provide to the  
 139 Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Director,  
 140 Department of Planning and Budget a report of its operational plan. Prior to November 1 of each fiscal year,  
 141 the Partnership shall provide to the Chairs of the House Appropriations and Senate Finance and  
 142 Appropriations Committees and the Director, Department of Planning and Budget a detailed expenditure  
 143 report and a listing of the salaries and bonuses for all partnership employees for the prior fiscal year. All three  
 144 reports shall be prepared in the formats as previously approved by the Department of Planning and Budget.

145 C. In developing the criteria for any pay for performance plan, the board shall include, but not be limited  
 146 to, these variables: 1) the number of economic development prospects committed to move to or expand  
 147 operations in Virginia; 2) dollar investment made in Virginia for land acquisition, construction, buildings, and  
 148 equipment; 3) number of full-time jobs directly related to an economic development project; and 4) location  
 149 of the project. To that end, the pay for performance plan shall be weighted to recognize and reward  
 150 employees who successfully recruit new economic development prospects or cause existing prospects to  
 151 expand operations in localities with fiscal stress greater than the statewide average. Fiscal Stress shall be  
 152 based on the Index published by the Commission on Local Government. If a prospect is physically located in  
 153 more than one contiguous locality, the highest Fiscal Stress Index of the participating localities will be used.

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

158 E. The Virginia Economic Development Partnership shall provide administrative and support services for  
 159 the Virginia Tourism Authority as prescribed in the Memorandum of Agreement until July 1, 2026, or until  
 160 the authority is able to provide such services.

161 F. The Virginia Economic Development Partnership shall report one month after the close of each quarter  
 162 to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees on the  
 163 Commonwealth's Development Opportunity Fund. The report shall include, but not be limited to, total  
 164 appropriations made or transferred to the fund, total grants awarded, cash balances, and balances available for  
 165 future commitments.

166 G. Prior to purchasing airline and hotel accommodations related to overseas trade shows, the Virginia  
 167 Economic Development Partnership shall provide an itemized list of projected costs for review by the  
 168 Secretary of Commerce and Trade.

169 H.1. Out of the amounts in this Item, \$2,250,000 in the first year and \$2,250,000 in the second year from  
 170 the general fund shall be deposited in the Virginia Brownfields Restoration and Economic Redevelopment  
 171 Assistance Fund established pursuant to § 10.1-1237, Code of Virginia.

172 2. Guidelines developed by the Virginia Economic Development Partnership, in consultation with the  
 173 Department of Environmental Quality, governing the use of the Fund shall provide for grants of up to  
 174 \$500,000 for site remediation and include a requirement that sites with potential for redevelopment and  
 175 economic benefits to the surrounding community be prioritized for consideration of such grants.

176 I. Any requests for administrative or staff support for the Committee on Business Development and  
 177 Marketing or the Committee on International Trade established to advise the Virginia Economic  
 178 Development Partnership shall be directed to, and are subject to the approval of, the Chair or the Chief

179 Executive Officer of the Virginia Economic Development Partnership.

180 J. Out of the amounts in this Item, \$9,000,000 the first year and \$9,000,000 the second year from the  
181 general fund is provided to support the development of a workforce program to provide training and  
182 recruitment services to select companies locating or expanding in the Commonwealth.

183 K. Out of the amounts in this Item, \$1,562,500 the first year and \$1,562,500 the second year from the  
184 general fund is provided for the Virginia Economic Development Partnership Authority to administer a  
185 comprehensive Virginia Business Ready Sites program. The funds in this paragraph may be used to  
186 administer the program established by § 2.2-2240.2:1, Code of Virginia, § 2.2-2761, Code of Virginia, and  
187 House Bill 1125 of the 2024 General Assembly and characterize, inventory, develop, market and deploy  
188 economic sites in the Commonwealth, which includes business investment activities.

189 L.1. Out of the amounts in this Item, \$1,983,600 the first year and \$2,233,600 the second year from the  
190 general fund is provided to support the Office of Education and Labor Market Alignment in accordance with  
191 § 2.2-2238, Code of Virginia.

192 2. Notwithstanding any provision of law, the Office of Labor Market Alignment (the Office) shall serve as  
193 a resource for education and workforce programs administered by state government to better inform  
194 programmatic decisions on workforce education and training. Additionally, the Office shall serve as a guide  
195 and resource for the Governor and the General Assembly in determining strategic education and workforce  
196 investments in current and future education and workforce training programs with a particular focus on those  
197 programs supported with state general fund dollars.

198 3. The Office shall develop and report an annual research agenda to the Governor and General Assembly  
199 on or before June 30th of each year in collaboration with the Secretaries of Education, Labor, and Commerce  
200 and Trade, the State Council of Higher Education for Virginia, institutions of higher education, the Virginia  
201 Department of Education, the Virginia Employment Commission, the Virginia Initiative for Growth and  
202 Opportunity Board, and the Department of Workforce Development and Advancement, members of or staff  
203 to the House Committee on Education, Senate Committee on Education and Health, House Committee on  
204 Appropriations, and the Senate Committee on Finance and Appropriations.

205 4. The Virginia Economic Development Partnership Authority shall include in its annual report, due on  
206 November 1st of each year, an update on the activities of the Office of Labor Market Alignment.

207 M. Out of the amounts in this Item, \$4,600,000 the first year and \$4,600,000 the second year from the  
208 general fund is provided to fully implement Virginia's International Trade Plan.

209 N. Out of this appropriation, \$1,158,969 the first year and \$1,158,969 the second year from the general  
210 fund is provided to establish the Division of Incentives consistent with the provisions of § 2.2-2237.3, Code  
211 of Virginia.

212 O. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund  
213 is provided to establish an internal audit function for the authority, consistent with the provisions of § 2.2-  
214 2236.1, Code of Virginia.

215 P. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund is  
216 provided for the authority to enhance cyber security initiatives.

217 Q. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from the general fund  
218 is provided to support the opening of the Virginia-Taiwan Trade Office.

219 R. Notwithstanding any provision of subsection D of § 2.2-2237.1, Code of Virginia, to the contrary, the  
220 Virginia Economic Development Partnership Authority may include in its annual report on its operational  
221 plan the most recent audit report from the Auditor of Public Account's examination of the Authority's  
222 accounts and books pursuant to § 2.2-2242, Code of Virginia, in lieu of the audited financial statements of the  
223 Authority for the year ending the previous June 30.

224 S. Out of this appropriation, \$1,000,000 the first year and \$1,250,000 the second year from the general  
225 fund is provided to support reorganizing economic development services at the authority.

226 T. Notwithstanding any other paragraph of this item or any other provision of law, up to \$3,700,000 from  
227 the Commonwealth's Development Opportunity Fund may be used to reimburse the County of Wythe,  
228 Virginia, for the expenses related to infrastructure improvements in Progress Park made pursuant to the  
229 Infrastructure Improvements Agreement entered into on June 1, 2022, between the Commonwealth of  
230 Virginia; Blue Star NRB, LLC; the County of Wythe, Virginia; and the Virginia Economic Development  
231 Partnership Authority.

Item 258	First Year-FY2025	Second Year-FY2026
Revenue Administration Services (73200)	\$70,323,247	\$69,918,101
Tax Return Processing (73214)	\$7,428,573	\$7,392,923
Customer Services (73217)	\$15,014,313	\$15,014,313
Compliance Audit (73218)	\$26,718,919	\$26,718,919
Compliance Collections (73219)	\$16,186,507	\$16,186,507
Legal and Technical Services (73222)	\$4,974,935	\$4,605,439
Fund Sources		

240	General	\$58,592,613	\$58,074,467
241	Special	\$10,282,214	\$10,282,214
242	Dedicated Special Revenue	\$1,448,420	\$1,561,420

243 Authority: Title 3.2; Title 58.1, Code of Virginia.

244 A. Pursuant to § 58.1-1803, Code of Virginia, the Tax Commissioner is hereby authorized to contract with  
 245 private collection agencies for the collection of delinquent accounts. The State Comptroller is hereby  
 246 authorized to deposit collections from such agencies into the Contract Collector Fund (§ 58.1-1803, Code of  
 247 Virginia). Revenue in the Contract Collector Fund may be used to pay private collection agencies/attorneys  
 248 and perform oversight of their operations, upgrade *audit and collection* systems and data interfaces; and  
 249 retain experts to perform analysis of receivables and collection techniques. Any balance in the fund  
 250 remaining after such payment shall be deposited into the appropriate general, nongeneral, or local fund no  
 251 later than June 30 of each year.

252 B.1. The Department of Taxation is authorized to retain, as special revenue, its reasonable share of any  
 253 court fines and fees to reimburse the department for any ongoing operational collection expenses.

254 2. Any form of state debt assigned to the Department of Taxation for collection may be collected by the  
 255 department in the same manner and means as state taxes may be collected pursuant to Title 58.1, Chapter 18,  
 256 Code of Virginia.

257 C. The Department of Taxation is hereby appropriated revenues from the Communications Sales and Use  
 258 Tax Trust Fund to recover the direct cost of administration incurred by the department in implementing and  
 259 collecting this tax as provided by § 58.1-662, Code of Virginia.

260 D. The Tax Commissioner shall have the authority to waive penalties and grant extensions of time to file a  
 261 return or pay a tax, or both, to any class of taxpayers when the Tax Commissioner in his discretion finds that  
 262 the normal due date has, or would, cause undue hardship to taxpayers who were, or would be, unable to use  
 263 electronic means to file a return or pay a tax because of a power or systems failure that causes the  
 264 department's electronic filing or payment systems to be nonfunctional for all or a portion of a day on or about  
 265 the due date for a return or payment.

266 E. The Department of Taxation is hereby appropriated Land Conservation Incentive Act fees imposed  
 267 under § 58.1-513 C. 2., Code of Virginia, on the transferring of the value of the donated interest. The Code of  
 268 Virginia specifies such fees will be used by the Departments of Taxation and Conservation and Recreation to  
 269 recover the direct cost of administration incurred in implementing the Virginia Land Conservation Act.

270 F. In the event that the United States Congress adopts legislation allowing local governments, with the  
 271 assistance of the Commonwealth, to collect delinquent local taxes using offsets from federal income taxes,  
 272 the Department of Accounts shall provide a treasury loan to the Department of Taxation to finance the costs  
 273 of modifying the agency's computer systems to implement this federal debt setoff program. This treasury loan  
 274 shall be repaid from the proceeds collected from the offsets of federal income taxes collected on behalf of  
 275 localities by the Department of Taxation.

276 G. 1. All revenue received by the Commonwealth pursuant to the provisions of § 58.1-645 et seq., Code  
 277 of Virginia, shall be paid into the state treasury and deposited to the Virginia Communications Sales and Use  
 278 Tax Fund and shall be distributed pursuant to § 58.1-662, Code of Virginia, and Items 251 and 270 of this  
 279 act. For the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, Code of  
 280 Virginia, however, all deposits to and disbursements from the Fund shall be accounted for as part of the  
 281 general fund of the state treasury.

282 2. It is the intent of the General Assembly that all such revenues be distributed to counties, cities, and  
 283 towns, the Department for the Deaf and Hard-of-Hearing, and for the costs of administering the Virginia  
 284 Communications Sales and Use Tax.

285 H. Notwithstanding the provisions of § 58.1-478, Code of Virginia, effective July 1, 2011, every employer  
 286 whose average monthly liability can reasonably be expected to be \$1,000 or more and the aggregate amount  
 287 required to be withheld by any employer exceeds \$500 shall file the annual report required by § 58.1-478,  
 288 Code of Virginia, and all forms required by § 58.1-472, Code of Virginia, using an electronic medium using a  
 289 format prescribed by the Tax Commissioner. Waivers shall be granted only if the Tax Commissioner finds  
 290 that this requirement creates an unreasonable burden on the employer. All requests for waiver shall be  
 291 submitted to the Tax Commissioner in writing.

292 I. Notwithstanding the provisions of § 58.1-214, Code of Virginia, the department shall not be required to  
 293 mail its forms and instructions unless requested by a taxpayer or his representative.

294 J.1. Notwithstanding the provisions of § 58.1-609.12, Code of Virginia, no report on the fiscal, economic  
 295 and policy impact of the miscellaneous Retail Sales and Use Tax exemptions under § 58.1-609.10, Code of  
 296 Virginia, shall be required after the completion of the final report in the first five-year cycle of the study, due  
 297 December 1, 2011. The Department of Taxation shall satisfy the requirement of § 58.1-609.12 that it study  
 298 and report on the annual fiscal impact of the Retail Sales and Use Tax exemptions for nonprofit entities  
 299 provided for in § 58.1-609.11, Code of Virginia, by publishing such fiscal impact on its website.

300 2. Notwithstanding the provisions of § 58.1-202, Code of Virginia, no report detailing the total amount of

301 corporate income tax relief provided in Virginia shall be required after the completion of such report due on  
302 October 1, 2013. The Department of Taxation shall satisfy the requirement of § 58.1-202 that it issue an  
303 annual report detailing the total amount of corporate income tax relief provided in Virginia by publishing its  
304 Annual Report on its website.

305 K. 1. Notwithstanding any provision of the Code of Virginia or this act to the contrary,

306 a. Effective January 1, 2013, all corporations are required to file estimated tax payments and their annual  
307 income tax return and final payment using an electronic medium in a format prescribed by the Tax  
308 Commissioner.

309 b. Effective July 1, 2013, every employer shall file the annual report required by § 58.1-478 and all forms  
310 required by § 58.1-472, Code of Virginia, using an electronic medium in a format prescribed by the Tax  
311 Commissioner.

312 c. Effective January 1, 2015, for taxable years beginning on and after January 1, 2014, every pass-through  
313 entity shall file the annual return required by § 58.1-392, Code of Virginia, and make related payments using  
314 an electronic medium in a format prescribed by the Tax Commissioner.

315 d. i. Effective until January 1, 2020, all estates and trusts are required to file estimated tax payments  
316 pursuant to § 58.1-490 et seq., Code of Virginia, and their annual income tax return pursuant to § 58.1-381,  
317 Code of Virginia, and final payment using an electronic medium in a format prescribed by the Tax  
318 Commissioner.

319 ii. Effective January 1, 2020, annual income tax returns of estates and trusts required pursuant to § 58.1-  
320 381, Code of Virginia, that are prepared by an income tax return preparer, as defined in § 58.1-302, Code of  
321 Virginia, must be filed using an electronic medium in a format prescribed by the Tax Commissioner.

322 e. Taxpayers subject to the taxes imposed pursuant to § 58.1-320 and required to pay estimated tax  
323 pursuant to § 58.1-490 et seq., shall be required to file and remit using an electronic medium in a format  
324 prescribed by the Tax Commissioner all installment payments of estimated tax and all payments made with  
325 regard to a return or an extension of time to file if (i) any one such payment exceeds or is required to exceed  
326 \$1,500, or if (ii) the taxpayer's total tax liability exceeds or can be reasonably expected to exceed \$6,000 in  
327 any taxable year beginning on or after January 1, 2022. This requirement shall apply to any payments made  
328 on and after July 1, 2022. The Department of Taxation shall provide reasonable advanced notice to taxpayers  
329 affected by this requirement.

330 2. The Tax Commissioner shall have the authority to waive the requirement to file or pay by electronic  
331 means. Waivers shall be granted only if the Tax Commissioner finds that this requirement creates an  
332 unreasonable burden on the person required to use an electronic medium. All requests for waiver shall be  
333 submitted to the Tax Commissioner in writing.

334 L.1. Notwithstanding any other provision of law, Retail Sales and Use Tax returns and payments shall be  
335 made using an electronic medium prescribed by the Tax Commissioner beginning with the June 2012 return,  
336 due July 2012, for monthly filers and, for less frequent filers, with the first return they are required to file  
337 after July 1, 2013.

338 2. Notwithstanding any other provision of law, Out-of-State Dealer's Use Tax and Business Consumer's  
339 Use Tax returns and payments shall be made using an electronic medium prescribed by the Tax  
340 Commissioner beginning with the July 2017 return, due August 2017, for monthly filers and, for less frequent  
341 filers, with the first return they are required to file after August 1, 2017.

342 3. The Tax Commissioner shall have the authority to waive the requirement to file by electronic means  
343 upon a determination that the requirement would cause an undue hardship. All requests for waiver shall be  
344 transmitted to the Tax Commissioner in writing.

345 M. The Department of Taxation is hereby appropriated revenues from the Virginia Motor Vehicle Rental  
346 Tax to recover the direct cost of administration incurred by the department in implementing and collecting  
347 this tax as provided by § 58.1-1741, Code of Virginia.

348 N. Notwithstanding the provisions of § 58.1-490 et seq., Code of Virginia,

349 1. Effective for taxable years beginning on or after January 1, 2015, a taxpayer shall be permitted to file a  
350 declaration of estimated tax with the Department of Taxation instead of with the commissioner of the revenue  
351 and notwithstanding the provisions of § 58.1-306, Code of Virginia, the department may so advise taxpayers.

352 2. Effective January 1, 2015, every treasurer who receives an estimated income tax return, declaration or  
353 voucher pursuant to § 58.1-495 of the Code of Virginia shall transmit such return, declaration or voucher to  
354 the Department of Taxation using an electronic medium in a format prescribed by the Tax Commissioner.

355 O. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Department of  
356 Taxation is authorized to provide Form 1099 in an electronic format to taxpayers. The Tax Commissioner  
357 shall ensure that taxpayers may elect to receive the electronic version of the form.

358 P. The Department of Taxation is hereby appropriated revenues from the E-911 Wireless Tax to recover  
359 the direct cost of administration incurred by the department in implementing and collecting this tax as  
360 provided by § 56-484.17:1, Code of Virginia.

361 Q. The Department of Taxation is hereby appropriated revenues from the assessment for expenses

362 pursuant to §§ 38.2-400 and 38.2-403, Code of Virginia, to recover any costs related to the Insurance  
 363 Premiums License Tax that are incurred by the Department of Taxation, as provided in § 58.1-2533, Code of  
 364 Virginia.

365 R. The Department of Taxation is authorized to recover the administrative costs associated with debt  
 366 collection initiatives under the U.S. Treasury Offset Program authorized by § 2.2-4809, not to exceed twenty  
 367 percent of revenues generated pursuant to such debt collection initiatives. Such sums are in addition to any  
 368 fees charged by outside collections contractors and/or enhanced collection revenues returned to the  
 369 Commonwealth.

370 S.1. Notwithstanding any other provision of the Code of Virginia or this act to the contrary, effective July  
 371 1, 2015, the Department of Taxation is hereby authorized to charge a fee of \$5.00 per copy of a tax return  
 372 requested by a taxpayer or a representative thereof.

373 2. The Tax Commissioner shall have the authority to waive such fee. Waivers shall be granted only if the  
 374 Tax Commissioner finds that this requirement creates an unreasonable burden on the person requesting such  
 375 copies. All requests for waiver shall be submitted to the Tax Commissioner in writing.

376 T. Notwithstanding any other provision of the Code of Virginia or this act to the contrary, effective  
 377 January 1, 2016, the Department of Taxation shall not provide to the local commissioners of the revenue or  
 378 any other local officials copies of federal tax forms or schedules, including but not limited to, federal  
 379 Schedules C (1040), C-EZ (1040), D (1040), E (1040), or F (1040), or federal Forms 4562 or 2106, or copies  
 380 of Virginia Schedule 500FED, unless such schedules or forms are attached to a Virginia income tax return  
 381 and submitted to the department in an electronic format by the taxpayer.

382 U.1. Notwithstanding any other provision of law, Vending Machine Dealer's Sales Tax, Motor Vehicle  
 383 Rental Tax and Fee, Communications Taxes, and Tobacco Products Tax returns shall be filed using an  
 384 electronic medium prescribed by the Tax Commissioner beginning with the July 2016 return, due August  
 385 2016, for monthly filers and, for less frequent filers, with the first return they are required to file after July 1,  
 386 2016.

387 U.2. Notwithstanding any other provision of law, Litter Tax returns shall be filed and any payments shall be  
 388 made using an electronic medium prescribed by the Tax Commissioner beginning with the first return  
 389 required to be filed after January 1, 2018.

390 U.3. Notwithstanding any other provision of law, Form R-1 Business Registration Form shall be filed using  
 391 an electronic medium prescribed by the Tax Commissioner beginning July 1, 2024.

392 U.4. The Tax Commissioner shall have the authority to waive the requirement to file by electronic means  
 393 upon a determination that the requirement would cause an undue hardship. All requests for waiver shall be  
 394 transmitted to the Tax Commissioner in writing.

395 U.5. Notwithstanding any other provision of law, effective July 1, 2017, the Department of Taxation shall  
 396 charge a fee of \$275 for each request, except those requested by the local assessing officer, for a letter ruling  
 397 to be issued pursuant to § 58.1-203, Code of Virginia, or for an advisory opinion issued pursuant to §§ 58.1-  
 398 3701 or 58.1-3983.1, Code of Virginia; \$50 for each request for an offer in compromise with respect to  
 399 doubtful collectability authorized by § 58.1-105, Code of Virginia; and \$100 for each request for permission  
 400 to change a corporation's filing method pursuant to § 58.1-442, Code of Virginia.

401 U.6. The Tax Commissioner shall have the authority to waive such fees. Waivers shall be granted only if the  
 402 Tax Commissioner finds that such fee creates an unreasonable burden on the person making such request. All  
 403 requests for waiver shall be submitted to the Tax Commissioner in writing.

404 U.7. Revenues received from the above fees shall be deposited into the general fund in the state treasury.

405 U.8. Notwithstanding the provisions of § 38.2-5601, Code of Virginia, the Department of Taxation shall  
 406 not be required to update the Virginia Medical Savings Account Plan report after the completion of such  
 407 report due on December 31, 2016.

408 U.9. X.1. Every payment settlement entity required to file information returns under § 6050W of the Internal  
 409 Revenue Code shall, within thirty days of the relevant federal deadline for filing such returns, submit to the  
 410 Department of Taxation electronically either (i) a duplicate of all such information returns or (ii) a duplicate  
 411 of such information returns related to participating payees with a Virginia state address or Virginia state  
 412 taxpayers.

413 U.10. The Tax Commissioner shall have the authority to waive the requirement to submit this information  
 414 upon a determination that the requirement would cause an unreasonable burden. In addition, the Tax  
 415 Commissioner shall have the authority to waive the requirement to submit this information electronically  
 416 upon a determination that the requirement would cause an unreasonable burden. All requests for waiver shall  
 417 be transmitted to the Tax Commissioner in writing.

418 U.11. Y. The Department of Taxation is hereby appropriated revenues from the Disposable Plastic Bag Tax to  
 419 recover any administrative costs for collecting the tax incurred by the Department of Taxation as provided by  
 420 § 58.1-3835 (C), Code of Virginia.

421 U.12. Z. The Department of Taxation is hereby appropriated revenues from the tobacco products tax imposed  
 422 under § 58.1-1021.02 of the Code of Virginia to recover any administrative costs for implementing the tax on

423 heated tobacco products incurred by the Department of Taxation as provided by Item 3-5.19(D) of this Act.

424 AA.1. Notwithstanding § 58.1-1803 A, or any other provision of law, the Department of Taxation may  
425 appoint a collector in any county or city, including the treasurer thereof, to collect delinquent state taxes at  
426 any time, even if such delinquent state taxes were not assessed at least 90 days previously therein.

427 2. Notwithstanding § 58.1-1803 B, or any other provision of law, the Department of Taxation may appoint  
428 collectors or contract with collection agencies to collect delinquent state taxes at any time, even if such  
429 delinquent state taxes were not assessed at least 90 days previously therein.

430 BB. In order to carry out the provisions of § 58.1-4200 et seq., Code of Virginia, there is hereby  
431 appropriated a sum sufficient amount of nongeneral fund revenues estimated at \$16,700,000 in the first year  
432 and \$23,000,000 in the second year equal to the revenues collected pursuant to § 58.1-4216, Code of  
433 Virginia, from the gross receipts tax on skill game machines.

434 CC. Notwithstanding the provisions of § 4-3.02 of this act, the State Comptroller may authorize an  
435 interest-free treasury loan for the Department of Taxation to fund costs associated with the implementation of  
436 skill game oversight as enacted by the 2024 General Assembly of Virginia. The amount of the treasury loan  
437 may include costs as estimated to be incurred by the Department for the administration, regulation,  
438 enforcement, and oversight of skill game machines in accordance with legislation passed by the 2024 General  
439 Assembly. The Secretary of Finance may extend the repayment plan for any such interest-free treasury loan  
440 for a period of longer than twelve months as needed to support state costs associated with the administration  
441 and regulation of skill game machines. Intended repayment of the treasury loan is with revenues anticipated  
442 from fines, fees, and taxes collected pursuant to the legislation.

443 DD. The Director, Department of Planning and Budget, is authorized to provide nongeneral fund  
444 appropriation to the Authority in the amounts necessary to reflect expenditures in accordance with this  
445 paragraph.

446 EE. Out of this appropriation, \$658,000 the first year and \$771,000 the second year from the Electronic  
447 Nicotine Delivery Systems Fund, which shall be transferred from the Office of the Attorney General, shall be  
448 used for the costs associated with the implementation of House Bill 790 and Senate Bill 582 from the 2024  
449 Session.

450                   Item 292	451                   First Year-FY2025	452                   Second Year-FY2026
<b>453                   Administrative Support Services (49900)</b>	<b>454                   \$317,165,151</b>	<b>455                   \$350,856,604</b>
General Management and Direction (49901)	\$298,478,415	\$332,169,868
Administrative Support for the Family Access to Medical Insurance Security Plan (49932)	\$16,186,736	\$16,186,736
CHIP Heal Services Initiatives (49936)	\$2,500,000	\$2,500,000
Fund Sources		
General	\$80,776,137	\$85,824,654
Special	\$7,329,800	\$7,329,800
Dedicated Special Revenue	\$10,162,173	\$10,218,212
Federal Trust	\$218,897,041	\$247,483,938

461 Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI,  
462 Social Security Act, Federal Code.

463 A.1.a. Notwithstanding any other provision of law, by November 1 of each year, the Department of  
464 Medical Assistance Services (DMAS) shall prepare and submit a forecast of Medicaid expenditures, upon  
465 which the Governor's budget recommendations will be based, for the current and subsequent two years to the  
466 Director, Department of Planning and Budget (DPB) and the Chairmen of the House Appropriations and  
467 Senate Finance and Appropriations Committees.

468 b. The forecast shall be based on current state and federal laws and regulations.

469 c. The forecast shall reflect only expenditures for medical services provided in Program 45600 and shall  
470 exclude service area 45606, service area 45607, and administrative expenditures.

471 d. Rebasing and inflation estimates that are required by existing law or regulation for any Medicaid  
472 provider shall be included in the forecast.

473 e. The forecast shall include a projection of the increases or decreases in managed care costs, including  
474 the rates that will be reflected in the upcoming July 1 contracts as well as changes in managed care rates for a  
475 three-year period including the current year.

476 f. In preparing for each year's forecast of the managed care portions of the budget, DMAS shall submit to  
477 its actuarial contractor a letter of request, with a copy sent to the Director, DPB and the Chairmen of the  
478 House Appropriations and Senate Finance and Appropriations Committees. This letter shall document the  
479 department's request for a point estimate of managed care rates and changes in rates, based on the application  
480 of actuarial principals and methodologies and information available at the time of the forecast. The letter also  
481 shall require that the contractor reflect the years being forecasted, and shall specify the population groupings  
482 for which estimates are requested. The department shall request that the contractor reply in writing with a  
483 copy to all parties copied on the department's letter of request.

484        2. In addition to the November 1 forecast submission, DMAS shall provide: 1) a separate accounting of  
 485        forecasted expenditures by caseload/utilization, inflation and policy changes; and 2) an enrollment forecast  
 486        for the same period of the forecast.

487        3. In the development and execution of the official forecast, DMAS shall collaborate with staff from the  
 488        Department of Planning and Budget (DPB), House Appropriations Committee and Senate Finance and  
 489        Appropriations Committee. Further, DMAS shall consult with DPB and money committee staff throughout  
 490        the year, as necessary, to review any issues that may influence the current or upcoming forecasts. Upon  
 491        request from such staff, DMAS shall provide the information necessary to evaluate factors that may affect the  
 492        Medicaid forecast; including, but not limited to, program utilization, enrollment, lump sum payments, and  
 493        rate changes. At a minimum, DMAS shall provide such staff with program updates within 30 days after the  
 494        end of each General Assembly session and fiscal year. By October 15 of each year, DMAS shall make a  
 495        preliminary forecast of Medicaid expenditures available for review to staff from DPB and the House  
 496        Appropriations and Senate Finance and Appropriations Committees. DMAS shall consider feedback  
 497        generated from this review in the official November 1 forecast.

498        B.1. The Department of Medical Assistance Services (DMAS) shall submit monthly expenditure reports  
 499        of the Medicaid program by service that shall compare expenditures to the official Medicaid forecast,  
 500        adjusted to reflect budget actions from each General Assembly Session. The monthly report shall be  
 501        submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and  
 502        Senate Finance and Appropriations Committees within 20 days after the end of each month.

503        2. The Department of Medical Assistance Services shall prepare a quarterly report summarizing managed  
 504        care expenditures by program and service category through the most recent quarter with three months of  
 505        runout. The report shall summarize the data by service date for each quarter in the current fiscal year and the  
 506        previous two fiscal years and update prior quarter expenditures. The department shall publish the report on  
 507        the department's website no later than 30 days after the end of each quarter and shall notify the Department of  
 508        Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations  
 509        Committees.

510        3. The Department of Medical Assistance Services shall track expenditures for the prior fiscal year that  
 511        ended on June 30, that includes the expenditures associated with changes in services and eligibility made in  
 512        the Medicaid and FAMIS programs adopted by the General Assembly in the past session(s). Expenditures  
 513        related to changes in services and eligibility adopted in a General Assembly Session shall be included in the  
 514        report for five fiscal years beginning from the first year the policy impacted expenditures in the Medicaid and  
 515        FAMIS programs. The department shall report the expenditures of each funding change separately and show  
 516        the impact by fiscal year. The report shall be submitted to the Department of Planning and Budget and the  
 517        Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by December 1  
 518        of each year.

519        4. The Department of Medical Assistance Services shall convene a meeting three times each fiscal year  
 520        with the Secretary of Finance, Secretary of Health and Human Resources, or their designees, and appropriate  
 521        staff from the Department of Planning and Budget, House Appropriations and Senate Finance and  
 522        Appropriations Committees, and Joint Legislative Audit and Review Commission to explain any material  
 523        differences in expenditures compared to the official Medicaid forecast, adjusted to reflect budget actions from  
 524        each General Assembly Session. The main purpose of each meeting shall be to review and discuss the most  
 525        recent Medicaid expenditures to determine the program's financial status. At each meeting, the department  
 526        shall report on enrollment trends by eligibility category and indicate differences in actual enrollment as  
 527        compared to the most recent forecast of enrollment. If necessary, the department shall provide options to  
 528        bring expenditures in line with available resources. At each meeting, the department shall provide an update  
 529        on any changes to the managed care programs, or contracts with managed care organizations, that includes  
 530        detailed information and analysis on any such changes that may have an impact on the capitation rates or  
 531        overall fiscal impact of the programs, including changes that may result in savings. In addition, the  
 532        department shall report on utilization and other trends in the managed care programs. During each fiscal year,  
 533        the meetings shall be held in April, July, and October of each year to review the time period since the last  
 534        meeting.

535        C. The Department of Medical Assistance Services shall report a detailed accounting, annually, of the  
 536        agency's organization and operations. This report shall include an organizational chart that shows all full- and  
 537        part-time positions (by job title) employed by the agency as well as the current management structure and  
 538        unit responsibilities. The report shall also provide a summary of organization changes implemented over the  
 539        previous year. The report shall be made available on the department's website by August 15 of each year.

540        D. The Department of Medical Assistance Services shall, within 15 days of receiving a deferral of federal  
 541        grant funds, or release of a deferral, or a disallowance letter, notify the Director, Department of Planning and  
 542        Budget, and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees  
 543        of such deferral action or disallowance. The notice shall include the amount of the deferral or disallowance  
 544        and a detailed explanation of the federal rationale for the action. Any federal documentation received by the

545 department shall be attached to the notification.

546 E.1. It is the intent of the General Assembly that the Department of Medical Assistance Services provide  
547 data regarding Medicaid and other programs operated by the department on their public website. The  
548 department shall maintain a central website that consolidates data and statistical information to make the  
549 information readily available to the general public. At a minimum the information included on such website  
550 shall include monthly enrollment data, expenditures by service, and other relevant data.

551 2. The department shall make Medicaid and other agency data stored in the agency's data warehouse  
552 available through the department's website that includes, at a minimum, interactive tools for the user to select,  
553 display, manipulate and export requested data.

554 3. The Department of Medical Assistance Services shall post on its website the complete State Plan for  
555 Medical Assistance along with all amendments in an easily searchable format to be accessible to the public.

556 4. Within five days of any submission of a State Plan amendment to the Centers for Medicare and  
557 Medicaid Services, the Department of Medical Assistance Services shall post such submission on its website.  
558 The department shall also post any federal approval documents once the State Plan amendment is approved.

559 5. The department shall publish a document on its website, updated annually, that lists all policy changes,  
560 including their fiscal impact, for the Medicaid program for the preceding fiscal year.

561 F. The Department of Medical Assistance Services shall notify the Director, Department of Planning and  
562 Budget, and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees  
563 at least 30 days prior to any change in capitated rates for managed care companies. The notification shall  
564 include the amount of the rate increase or decrease, and the projected impact on the state budget.

565 G. The Department of Medical Assistance Services, to the extent permissible under federal law, shall  
566 enter into an agreement with the Department of Behavioral Health and Developmental Services to share  
567 Medicaid claims and expenditure data on all Medicaid-reimbursed mental health, intellectual disability and  
568 substance abuse services, and any new or expanded mental health, intellectual disability retardation and  
569 substance abuse services that are covered by the State Plan for Medical Assistance. The information shall be  
570 used to increase the effective and efficient delivery of publicly funded mental health, intellectual disability  
571 and substance abuse services.

572 H. The Department of Medical Assistance Services (DMAS) shall collect and provide to the Office of  
573 Children's Services (OCS) all information and data necessary to ensure the continued collection of local  
574 matching dollars associated with payments for Medicaid eligible services provided to children through the  
575 Children's Services Act. This information and data shall be collected by DMAS and provided to OCS on a  
576 monthly basis.

577 I. The Department of Medical Assistance Services in cooperation with the State Executive Council, shall  
578 provide semi-annual training to local Children's Services Act teams on the procedures for use of Medicaid for  
579 residential treatment and treatment foster care services, including, but not limited to, procedures for  
580 determining eligibility, billing, reimbursement, and related reporting requirements. The department shall  
581 include in this training information on the proper utilization of inpatient and outpatient mental health services  
582 as covered by the Medicaid State Plan.

583 J. The Departments of Medical Assistance Services (DMAS) and Social Services (DSS) shall collaborate  
584 with the League of Social Services Executives, and other stakeholders to analyze and report data that  
585 demonstrates the accuracy, efficiency, compliance, quality of customer service, and timeliness of determining  
586 eligibility for the Medicaid and CHIP programs. Based on this collaboration, the departments shall develop  
587 meaningful performance metrics on data in agency systems that shall be used to monitor eligibility trends,  
588 address potential compliance problem areas and implement best practices. DMAS shall maintain on its  
589 website a public dashboard on eligibility performance that includes performance metrics developed through  
590 collaborative efforts as well as the performance of local departments of social services and any centralized  
591 eligibility-processing unit. Effective August 1, 2018 this dashboard shall be updated for the previous quarter  
592 and 30 days following the end of each quarter thereafter.

593 K. In addition to any regional offices that may be located across the Commonwealth, any statewide,  
594 centralized call center facility that operates in conjunction with a brokerage transportation program for  
595 persons enrolled in Medicaid or the Family Access to Medical Insurance Security plan shall be located in  
596 Norton, Virginia.

597 L. The Department of Medical Assistance Services, in collaboration with the Department of Social  
598 Services, shall require Medicaid eligibility workers to search for unreported assets at the time of initial  
599 eligibility determination and renewal, using all currently available sources of electronic data, including local  
600 real estate property databases and the Department of Motor Vehicles for all Medicaid applicants and  
601 recipients whose assets are subject to an asset limit under Medicaid eligibility requirements.

602 M.1. The Department of Medical Assistance Services shall require eligibility workers to verify income,  
603 using currently available Virginia Employment Commission data, for applicants and recipients who report no  
604 earned or unearned income. The Department shall require all Medicaid eligibility workers to apply the same  
605 protocols when verifying income for all applicants and recipients, including those who report no earned or

606 unearned income.

607 2. The Department shall amend the Virginia Medicaid application, upon approval of the federal Centers  
 608 for Medicare and Medicaid Services, to require a Medicaid applicant to opt out if such applicant does not  
 609 want to grant permission to the state to use his federal tax returns for the purposes of renewing eligibility. The  
 610 department shall implement the necessary regulatory changes and other necessary measures to be consistent  
 611 with federal approval of any appropriate State Plan changes, and prior to the completion of any regulatory  
 612 process undertaken in order to effect such change.

613 N.1. The Department of Medical Assistance Services shall report on the operations and costs of the  
 614 Medicaid call center (also known as the Cover Virginia Call Center). This report shall include the number of  
 615 calls received on a monthly basis, the purpose of the call, the number of applications for Medicaid submitted  
 616 through the call center, and the costs of the contract. The department shall submit the report by August 15 of  
 617 each year to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations  
 618 and Senate Finance and Appropriations Committees.

619 2. Out of this appropriation, \$3,889,800 the first year and \$3,889,800 the second year from the general  
 620 fund and \$10,868,700 the first year and \$10,868,700 the second year from nongeneral funds is provided for  
 621 the enhanced operation of the Cover Virginia Call Center as a centralized eligibility processing unit (CPU)  
 622 that shall be limited to processing Medicaid applications received from the Federally Facilitated Marketplace,  
 623 telephonic applications through the call center, or electronically submitted Medicaid-only applications. The  
 624 department shall report the number of applications processed on a monthly basis and payments made to the  
 625 contractor to the Director, Department of Planning and Budget and the Chairman of the House  
 626 Appropriations and Senate Finance and Appropriations Committees. The report shall be submitted no later  
 627 than 60 days after the end of each quarter of the fiscal year.

628 O. Out of this appropriation, \$15,462,264 the first year and \$15,462,264 the second year from the general  
 629 fund and \$62,407,632 the first year and \$62,407,632 the second year from nongeneral funds shall be provided  
 630 to maintain and operate the Medicaid Enterprise System.

631 P.1. Out of this appropriation, \$6,035,000 the first year and \$6,035,000 the second year from special funds  
 632 is appropriated to the Department of Medical Assistance Services (DMAS) for the disbursement of civil  
 633 money penalties (CMP) levied against and collected from Medicaid nursing facilities for violations of rules  
 634 identified during survey and certification as required by federal law and regulation. Based on the nature and  
 635 seriousness of the deficiency, the agency or the Centers for Medicare and Medicaid Services may impose a  
 636 civil money penalty, consistent with the severity of the violations, for the number of days a facility is not in  
 637 substantial compliance with the facility's Medicaid participation agreement. Civil money penalties collected  
 638 by the Commonwealth must be applied to the protection of the health or property of residents of nursing  
 639 facilities found to be deficient. Penalties collected are to be used for (1) the payment of costs incurred by the  
 640 Commonwealth for relocating residents to other facilities; (2) payment of costs incurred by the  
 641 Commonwealth related to operation of the facility pending correction of the deficiency or closure of the  
 642 facility; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of  
 643 actions by the facility or individuals used by the facility to provide services to residents. These funds are to be  
 644 administered in accordance with the revised federal regulations and law, 42 CFR 488.400 and the Social  
 645 Security Act § 1919(h), for Enforcement of Compliance for Long-Term Care Facilities with Deficiencies.  
 646 Any special fund revenue received for this purpose, but unexpended at the end of the fiscal year, shall remain  
 647 in the fund for use in accordance with this provision.

648 2. Of the amounts appropriated in P.1. of this Item, up to \$225,000 the first year and \$225,000 the second  
 649 year from special funds may be used for the costs associated with administering CMP funds.

650 3. Of the amounts appropriated in P.1. of this Item, up to \$2,310,000 the first year and \$2,310,000 the  
 651 second year from the special funds may be used for special projects that benefit residents and improve the  
 652 quality of nursing Facilities.

653 4. Out of the amounts appropriated in P.1. of this Item, \$3,500,000 the first year and \$3,500,000 the  
 654 second year from special funds shall be used for a quality improvement program addressing nursing facility  
 655 capacity building. The program design may be based on the results of the Virginia Gold Quality Improvement  
 656 Program pilot project, to include peer mentoring, job-related and interpersonal skills training, and work-  
 657 related benefits. The Department of Medical Assistance Services shall seek approval from the Centers for  
 658 Medicare & Medicaid Services (CMS) to implement the program.

659 5. By October 1 of each year, the department shall provide an annual report of the previous fiscal year that  
 660 includes the amount of revenue collected and spending activities to the Chairmen of the House  
 661 Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning  
 662 and Budget.

663 6. No spending or activity authorized under the provisions of paragraph P. of this Item shall necessitate  
 664 general fund spending or require future obligations to the Commonwealth.

665 7. The department shall maintain a CMP special fund balance of at least \$1.0 million to address  
 666 emergency situations in Virginia's nursing facilities.

667 8. The Department of Medical Assistance Services is authorized to administratively request up to

668 \$2,000,000 of additional special fund appropriation for special projects if 1) the appropriated amounts in P.3.  
669 are insufficient; and 2) such projects and costs are approved by the Centers for Medicare and Medicaid  
670 Services (CMS) for the Civil Money Penalty Reinvestment State Plan. The Department of Planning Budget  
671 shall approve such requests provided the required conditions are met.

672 Q. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the general fund  
673 shall be provided to contract with the Virginia Center for Health Innovation for research, development and  
674 tracking of innovative approaches to healthcare delivery.

675 R. The Department of Medical Assistance Services shall, prior to the end of each fiscal quarter, determine  
676 and properly reflect in the accounting system whether pharmacy rebates received in the quarter are related to  
677 fee-for-service or managed care expenditures and whether or not the rebates are prior year recoveries or  
678 expenditure refunds for the current year. The state share of pharmacy rebates for the quarter determined to be  
679 prior year revenue shall be deposited to the Virginia Health Care Fund before the end of the fiscal quarter.  
680 The department shall create and use a separate revenue source code to account for pharmacy rebates in the  
681 Virginia Health Care Fund.

682 S. Out of this appropriation, \$87,500 the first year and \$87,500 the second year from the general fund and  
683 \$262,500 the first year and \$262,500 second year from nongeneral funds shall be provided for support of the  
684 All Payer Claims Database operated by Virginia Health Information. This appropriation is contingent on  
685 federal approval of an Operational Advanced Planning Document.

686 T. Out of this appropriation, \$875,000 the first year and \$875,000 the second year from the general fund  
687 and \$1,625,000 the first year and \$1,625,000 the second year from nongeneral funds is provided for the  
688 Department of Medical Assistance Services to amend the State Plan and any waivers under Title XXI to fund  
689 \$2,500,000 annually for three Poison Control centers serving Virginia as part of a Health Services Initiative.  
690 The department shall have the authority to promulgate emergency regulations to implement these  
691 amendments within 280 days or less from the enactment of this Act.

692 U. Notwithstanding any other provision of law, the Department of Medical Assistance Services (DMAS)  
693 shall have the authority to adjust the date of any agency payments should doing so allow the agency to  
694 maximize federal reimbursement. This language shall only apply to the extent that any impacted payments or  
695 reimbursements are allowable and appropriate under state and federal rules.

696 V. The Department of Medical Assistance Services shall amend regulations to clarify (i) the burden of  
697 proof in client appeals; (ii) the scope of review for de novo hearings in client appeals, and (iii) the timeframes  
698 for submission of documents and decision deadlines for de novo client hearings. The department shall have  
699 the authority to promulgate emergency regulations to implement these amendments within 280 days or less  
700 from the enactment of this Act.

701 W. Out of this appropriation, \$447,700 the first year and \$447,700 the second year from the general fund  
702 and \$1,212,666 the first year and \$1,212,666 the second year from nongeneral funds is provided to  
703 implement the Virginia Facilitated Enrollment Program.

704 X. Out of this appropriation, \$1,319,515 the first year and \$1,319,515 the second year from the general  
705 fund and \$3,798,129 the first year and \$3,798,129 the second year from federal funds is provided to support  
706 the Emergency Department Care Coordination Program (EDCC) as allowed by the Centers for Medicare and  
707 Medicaid Services. The Department of Medical Assistance Services, in cooperation with the Virginia  
708 Department of Health, shall establish a work group comprised of the EDCC contractor, the Virginia Health  
709 Information, Medicaid and commercial managed care organizations, health systems with emergency  
710 departments and emergency department physicians to optimize the use of the system and any enhancements  
711 to the system to facilitate communication and collaboration among physicians, other healthcare providers and  
712 other clinical and care management personnel about patients receiving services in hospital emergency  
713 departments for the purpose of improving the quality of care.

714 Y. Out of this appropriation, \$90,000 the first year and \$90,000 the second year from the general fund and  
715 \$90,000 the first year and \$90,000 the second year from federal funds shall be used by the agency to hire a  
716 full time employee in the provider reimbursement division. This employee shall have the actuarial and  
717 accounting experience necessary to provide ongoing expertise on nursing facility reimbursement and rate  
718 methodology issues.

719 Z. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from the general fund  
720 and \$300,000 the first year and \$300,000 the second year from federal funds shall be used by the agency to  
721 hire five additional full-time employees to augment existing staff in the agency's finance division.  
722 Specifically, the Department of Medical Assistance Services shall hire three additional positions in the budget  
723 division, one additional position in the fiscal division and one additional position in the provider  
724 reimbursement division. The agency shall inform the Director, Department of Planning and Budget once  
725 these positions are hired. In addition, these positions shall be highlighted in the agency's annual  
726 organizational report.

727 AA. Out of this appropriation, \$551,010 the first year and \$551,010 the second year from the general fund  
728 and \$1,530,583 the first year and \$1,530,583 the second year from nongeneral funds is provided for 17

729 positions to improve Third-Party Liability (TPL) recoveries. These additional positions shall augment the  
 730 existing 17 positions currently utilized by the Department of Medical Assistance Services to support TPL  
 731 recovery efforts. DMAS shall utilize a minimum of 34 positions to perform TPL recoveries. DMAS shall  
 732 make information related to TPL activities available on the agency website. This data should be updated  
 733 quarterly and include, but not be limited to, state and federal compliance status, backlogs and amounts  
 734 recovered.

735 BB. Out of this appropriation, \$85,000 the first year and \$85,000 the second year from the general fund  
 736 and \$85,000 the first year and \$85,000 the second year from federal funds is provided for a position to  
 737 support agency responsibilities associated with developmental disability waiver services. Effective July 1,  
 738 2023, the Department of Medical Assistance Services shall be fully responsible for all financial analysis,  
 739 rates, and budget work associated with Virginia's developmental disability waiver services.

740 CC. Three positions are provided to replace contractual staff in the eligibility and enrollment unit. The  
 741 department shall utilize a minimum of four classified positions to support this unit's activities.

742 DD. Out of this appropriation, \$1,000,000 the first year and \$2,200,00 the second year from the general fund  
 743 and \$8,000,000 the first year and \$19,800,000 the second year from nongeneral funds is provided to  
 744 replace the agency fiscal agent services system. The Director, Department of Planning and Budget, shall  
 745 unallot this appropriation until the Department of Medical Assistance Services provides documentation of  
 746 actual costs to replace the system and shall only allot the amounts needed for actual expenditures in each  
 747 fiscal year.

748 EE. Out of this appropriation, \$590,000 the first year and \$590,000 the second year from the general fund  
 749 shall be provided to enhance the oversight of the Cardinal Care Managed Care Contract. The department shall  
 750 increase the staff support for managed care contract operations by three positions.

751 FF. The Department of Medical Assistance Services shall improve efforts to determine if individuals  
 752 applying for and enrolled in the Medicaid and CHIP programs are eligible for alternative health care  
 753 coverage. The department shall report on its efforts, as well as potential strategies to enhance coverage  
 754 identifications, to the Chairmen of the House Appropriations and Senate Appropriations and Finance  
 755 Committees and the Director, Department of Planning and Budget by October 1 of each year.

756 GG. The Department of Medical Assistance (DMAS) shall convene a workgroup to evaluate the criteria  
 757 for hospitals to qualify for disproportionate share hospital (DSH) payments. The workgroup shall evaluate  
 758 current DSH criteria, including the Medicaid inpatient utilization rate, to determine changes that are  
 759 necessary to reflect the impact from the Commonwealth's expansion of Medicaid in 2019. The workgroup  
 760 shall recommend a new Medicaid inpatient utilization threshold to qualify for DSH payments to ensure that  
 761 those hospitals with the largest uncompensated care costs are receiving appropriate DSH payments. The  
 762 workgroup shall include representatives from DMAS, the Department of Planning and Budget, and staff from  
 763 the House Appropriations and Senate Finance and Appropriations Committees. The workgroup shall report  
 764 its findings to the Governor and the Chairs of the House Appropriations and Senate Finance and  
 765 Appropriations Committees by October 1, 2024.

766 HH. Out of this appropriation, \$500,000 from the general fund and \$500,000 from nongeneral funds the  
 767 first year shall be provided to the Department of Medical Assistance Services (DMAS) to hire a consultant,  
 768 with Medicaid-specific knowledge related to eligibility determination, process-design and information  
 769 technology, to evaluate Medicaid eligibility determination in the Commonwealth. The consultant shall  
 770 conduct a systematic review and evaluate all aspects of Medicaid eligibility determination as performed by  
 771 DMAS and local departments of social services (LDSS). This review shall include, but not be limited to, the  
 772 following: (i) evaluate the current information technology systems; (ii) measure the accuracy, processing  
 773 times and efficiency of current eligibility determination processes; (iii) determine how well the current  
 774 structure and systems handle high volumes; (iv) assess the current level of automation and determine  
 775 processes that could be streamlined; (v) analyze the overall cost-effectiveness of how eligibility is conducted,  
 776 considering staffing costs and ongoing operational expenses; (vi) examine best practices in other states; and  
 777 (vii) develop cost-effective options for enhancing eligibility determination in the Commonwealth including  
 778 alternative delivery models. DMAS, the Department of Social Services, and LDSS shall provide full  
 779 cooperation with the consultant and provide the necessary assistance to conduct the required evaluation. The  
 780 consultant shall be required to report their findings and recommendations directly to the Governor,  
 781 Department of Planning and Budget, and Chairs of the House Appropriations and Senate Finance and  
 782 Appropriations Committees by December 15, 2024. The Director, Department of Planning and Budget, shall  
 783 unallot this appropriation until the Department of Medical Assistance Services provides documentation of the  
 784 contract's cost, and shall only allot the amount needed for the contract.

785 *II. Out of this appropriation, \$2,104,607 the first year and \$4,065,218 the second year from the general  
 786 fund and \$4,611,459 the first year and \$9,070,391 the second year from nongeneral funds shall be provided  
 787 for the Department of Medical Assistance Services to contract with a vendor to manage all incoming mail  
 788 currently directed to local Departments of Social Services, including Medicaid benefit applications and  
 789 renewal notices. The Director of the Department of Planning and Budget shall unallot this appropriation*

790 until the Department of Medical Assistance Services provides documentation of the contract's cost, and shall  
 791 only allot the amount contracted for with such vendor.

792 JJ. Out of this appropriation, \$206,889 the first year and \$3,094,795 the second year from the general  
 793 fund and \$2,832,111 the first year and \$16,216,115 the second year from nongeneral funds shall be provided  
 794 for the Department of Medical Assistance Services to contract with a vendor to implement identified solutions  
 795 to assist in timely and accurate Medicaid eligibility determinations and redeterminations. Solutions may  
 796 include additional data checks to verify financial and nonfinancial eligibility, additional data matching  
 797 capability, and a portal to receive and track coverage corrections for enrollment requests between the 120  
 798 local Departments of Social Services. Funding may be used to make enhancements to the Medicaid  
 799 Management Information System and the Virginia Case Management System to implement the identified  
 800 solutions. The Director of the Department of Planning and Budget shall unallot this appropriation until the  
 801 Department of Medical Assistance Services provides documentation of the contract's cost, and shall only  
 802 allot the amount contracted for with such vendor.

803 Item 480.10

804 A. Notwithstanding any provision of law to the contrary, including § 3-2.03, § 4-3.02, and § 4-13.00 of the  
 805 Appropriation Act, the State Comptroller shall authorize up to a \$20,000,000 interest-free treasury loan for  
 806 the Virginia Lottery to fund costs associated with the implementation of electronic gaming device oversight  
 807 pursuant to the passage of legislation that takes effect in the 2024-2026 biennium. The Treasury loan may  
 808 include costs as estimated to be incurred by Virginia Lottery for the administration, regulation, enforcement,  
 809 and oversight of electronic gaming devices in accordance with such legislation that takes effect in the 2024-  
 810 2026 biennium. The Secretary of Finance may extend the repayment plan for any such interest-free treasury  
 811 loan for a period of longer than twelve months as needed to support state costs associated with the  
 812 administration and regulation of electronic gaming devices. Intended repayment of the treasury loan is from  
 813 revenues anticipated from taxes, fees, and fines collected pursuant to the authorizing legislation. The  
 814 Director of the Department of Planning and Budget is authorized to provide nongeneral fund appropriation  
 815 to Virginia Lottery in the amounts necessary to reflect expenditures in accordance with this paragraph.

	C-50.10	First Year-FY2025	Second Year-FY2026
2024 Public Educational Institution Capital		\$61,500,000	\$0
Account Supplement (18747)			
Fund Sources			
Bond Proceeds		\$61,500,000	\$0

816 A. In addition to the amount previously authorized in Item C-50 of Chapter 2 of the Acts of Assembly of  
 817 2024, Special Session I, the Virginia College Building Authority, pursuant to Chapter 12 of Title 23.1 (§  
 818 23.1-1200 et seq.), the Code of Virginia, is authorized to issue bonds in a principal amount not to exceed  
 819 \$61,500,000, plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest  
 820 prior to and during the acquisition or construction and for one year after completion thereof, and other  
 821 financing expenses, to finance the capital costs of projects authorized in Item C-50 of Chapter 2 of the Acts of  
 822 Assembly of 2024, Special Session I. Bonds of the Virginia College Building Authority issued to finance such  
 823 projects may be sold and issued under the 21st Century College Program simultaneously with other  
 824 obligations of the Authority as separate issues or as a combined issue.

825 B. Debt service on the bonds issued under the authorization of this Item shall be provided from  
 826 appropriations to the Treasury Board.

827 C. There is hereby appropriated \$61,500,000 in bond proceeds for the projects authorized in Item C-50 of  
 828 Chapter 2 of the Acts of Assembly of 2024, Special Session I. The Director of the Department of Planning and  
 829 Budget is authorized to transfer the bond authorizations and appropriations in this item to the 2024 Public  
 830 Educational Institution Capital Account (18717).

831 § 4-5.01 TRANSACTIONS WITH INDIVIDUALS

832 a. SETTLEMENT OF CLAIMS: Whenever a dispute, claim or controversy involving the interest of the  
 833 Commonwealth is settled pursuant to § 2.2-514, Code of Virginia, payment may be made out of any  
 834 appropriations, designated by the Governor, to the state agency(ies) which is (are) party to the settlement.

835 b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:

836 1. General:

837 a) The appropriations made in this act to state institutions of higher education within the Items for student  
 838 financial assistance may be expended for any one, all, or any combination of the following purposes: grants  
 839 to undergraduate students enrolled at least one-half time in a degree, certificate, industry-based certification  
 840 and related programs that do not qualify for other sources of student financial assistance or diploma program;  
 841 grants to full-time graduate students; graduate assistantships: grants to students enrolled full-time in a dual or  
 842 concurrent undergraduate and graduate program. The institutions may also use these appropriations for the  
 843 purpose of supporting work study programs. The institution is required to transfer to educational and general  
 844 appropriations all funds used for work study or to pay graduate assistantships. Institutions may also  
 845 contribute to federal or private student grant aid programs requiring matching funds by the institution, except

851 for programs requiring work. The State Council of Higher Education for Virginia shall annually review each  
 852 institution's plan for the expenditures of its general fund appropriation for undergraduate student financial  
 853 assistance prior to the start of the fall term to determine program compliance. The institution's plan shall  
 854 include the institution's assumptions and calculations for determining the cost of attendance, student financial  
 855 need, and student remaining need as well as an award schedule or description of how funds are awarded. For  
 856 the purposes of the proposed plan, each community college shall be considered independently. No limitations  
 857 shall be placed on the awarding of nongeneral fund appropriations made in this act to state institutions of  
 858 higher education within the Items for student financial assistance other than those found previously in this  
 859 paragraph and as follows: (i) funds derived from in-state student tuition will not subsidize out-of-state  
 860 students, (ii) students receiving these funds must be making satisfactory academic progress, (iii) awards made  
 861 to students should be based primarily on financial need, and (iv) institutions should make larger grant and  
 862 scholarship awards to students taking the number of credit hours necessary to complete a degree in a timely  
 863 manner.

864 b) All awards made to undergraduate students from such Items shall be for Virginia students only and  
 865 such awards shall offset all, or portions of, the costs of tuition and required fees, and, in the case of students  
 866 qualifying under subdivision b 2 c1) hereof, the cost of books. All undergraduate financial aid award  
 867 amounts funded by this appropriation shall be proportionate to the remaining need of individual students,  
 868 with students with higher levels of remaining need receiving grants before other students. No criteria other  
 869 than the need of the student shall be used to determine the award amount. Because of the low cost of  
 870 attendance and recognizing that federal grants provide a much higher portion of cost than at other institutions,  
 871 a modified approach and minimum award amount for the neediest VGAP student should be implemented for  
 872 community college and Richard Bland College students based on remaining need and the combination of  
 873 federal and grant state aid. Student financial need shall be determined by a need-analysis system approved by  
 874 the Council.

875 c)1) All need-based awards made to graduate students shall be determined by the use of a need-analysis  
 876 system approved by the Council.

877 2) As part of the six-year financial plans required in the provisions of Chapters 933 and 945 of the 2005  
 878 Acts of Assembly, each institution of higher education shall report the extent to which tuition and fee  
 879 revenues are used to support graduate student aid and graduate compensation and how the use of these funds  
 880 impacts planned increases in student tuition and fees.

881 d) A student who receives a grant under such Items and who, during a semester, withdraws from the  
 882 institution which made the award must surrender the unearned portion. The institution shall calculate the  
 883 unearned portion of the award based on the percentage used for federal Return to Title IV program purposes.

884 e) An award made under such Items to assist a student in attending an institution's summer session shall  
 885 be prorated according to the size of comparable awards made in that institution's regular session.

886 f) The provisions of this act under the heading "Student Financial Assistance for Higher Education" shall  
 887 not apply to (1) the soil scientist scholarships authorized under § 23.1-615, Code of Virginia and (2) need-  
 888 based financial aid programs for industry-based certification and related programs that do not qualify for  
 889 other sources of student financial assistance, which will be subject to guidelines developed by the State  
 890 Council of Higher Education for Virginia.

891 g) Unless noted elsewhere in this act, general fund awards shall be named "Commonwealth" grants.

892 h) Unless otherwise provided by statute, undergraduate awards shall not be made to students seeking a  
 893 second or additional baccalaureate degree until the financial aid needs of first-degree seeking students are  
 894 fully met.

895 i) In determining financial need for student financial assistance, the institution shall recognize the federal  
 896 Student Aid Index at no less than zero.

897 j) Students receiving student financial assistance in 2023-2024 may be considered for Virginia Student  
 898 Financial Assistance Program awards based on the Expected Family Contribution demonstrated in 2023-  
 899 2024, or appropriately adjusted need as determined by the institution, for as long as the student maintains  
 900 continuous enrollment, unless granted an exception for cause by the State Council of Higher Education for  
 901 Virginia, until current degree completion or current degree program eligibility limits have otherwise expired,  
 902 whichever comes first.

903 k) Notwithstanding any other provision of law to the contrary, the Student Aid Index as calculated  
 904 according to federal Title IV financial aid methodology shall be deemed an approved replacement of any  
 905 mention or use of the precedent federal Expected Family Contribution for purposes of administrating state  
 906 higher education financial aid programs.

907 l) Notwithstanding any other provision of law to the contrary, private institutions admitted on or after  
 908 January 1, 2024 in any state program of higher education financial assistance shall (i) be a nonprofit private  
 909 institution of higher education whose primary purpose is to provide collegiate, graduate, or professional  
 910 education and not to provide religious training or theological education; (ii) be formed, chartered, established,  
 911 or incorporated within the Commonwealth; (iii) have their principal place of business within the

912 Commonwealth; (iv) conduct their primary educational activity within the Commonwealth; and (v) be  
913 accredited by a nationally recognized regional institutional accrediting agency.

914 2. Grants To Undergraduate Students:

915 a) Each institution which makes undergraduate grants paid from its appropriation for student financial  
916 assistance shall expend such sums as approved for that purpose by the Council.

917 b) A student receiving an award must be duly admitted and enrolled in a degree, certificate or diploma  
918 program at the institution making the award, and shall be making satisfactory academic progress as defined  
919 by the institution for the purposes of eligibility under Title IV of the federal Higher Education Act, as  
920 amended.

921 c) It is the intent of the General Assembly that students eligible under the Virginia Guaranteed  
922 Assistance Program (VGAP) authorized in Title 23.1, Chapter 4.4:2, Code of Virginia, shall receive grants  
923 before all other students at the same institution with equivalent remaining need from the appropriations for  
924 undergraduate student financial assistance found in Part 1 of this act (service area 1081000 - Scholarships). In  
925 each instance, VGAP eligible students shall receive awards greater than other students with equivalent  
926 remaining need.

927 2) The amount of each VGAP grant shall vary according to each student's remaining need and the total of  
928 tuition, all required fees and the cost of books at the institution the student will attend upon acceptance for  
929 admission. The actual amount of the VGAP award will be determined by the proportionate award schedule  
930 adopted by each institution; however, those students with the greatest financial need shall be guaranteed an  
931 award at least equal to tuition.

932 3) It is the intent of the General Assembly that the Virginia Guaranteed Assistance Program serve as an  
933 incentive to financially needy students now attending elementary and secondary school in Virginia to raise  
934 their expectations and their academic performance and to consider higher education an achievable objective  
935 in their futures.

936 4) Students may not receive a VGAP and a Commonwealth grant in the same semester.

937 d) Of the amount allocated for undergraduate need-based financial aid, up to one percent may be used for  
938 emergency assistance programs for students facing a financial emergency that puts them at risk of dropping  
939 out. The Council shall establish reporting guidelines and approve criteria for making student awards.

940 3. Grants To Graduate Students:

941 a) An individual award may be based on financial need but may, in addition to or instead of, be based on  
942 other criteria determined by the institution making the award. The amount of an award shall be determined by  
943 the institution making the award; however, the Council shall annually be notified as to the maximum size of a  
944 graduate award that is paid from funds in the appropriation.

945 b) A student receiving a graduate award paid from the appropriation must be duly admitted into a graduate  
946 degree program at the institution making the award.

947 c) Not more than 50 percent of the funds designated by an institution as graduate grants from the  
948 appropriation, and approved as such by the Council, shall be awarded to persons not eligible to be classified  
949 as Virginia domiciliary resident students except in cases where the persons meet the criteria outlined in § 4-  
950 2.01b.6.

951 4. Matching Funds: Any institution of higher education may, with the approval of the Council, use funds  
952 from its appropriation for fellowships and scholarships to provide the institutional contribution to any student  
953 financial aid program established by the federal government or private sources which requires the matching  
954 of the contribution by institutional funds, except for programs requiring work.

955 5. Discontinued Loan Program:

956 a) If any federal student loan program for which the institutional contribution was appropriated by the  
957 General Assembly is discontinued, the institutional share of the discontinued loan program shall be repaid to  
958 the fund from which the institutional share was derived unless other arrangements for the use of the funds are  
959 recommended by the Council and approved by the Department of Planning and Budget. Should the institution  
960 be permitted to retain the federal contributions to the program, the funds shall be used according to  
961 arrangements authorized by the Council and approved by the Department of Planning and Budget.

962 b) An institution of higher education may discontinue its student loan fund established pursuant to Title  
963 23.1, Chapter 4.01, Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid  
964 into the state treasury into a nonrevertible nongeneral fund account. Prior to such payment, the State  
965 Comptroller shall verify its accuracy, including the fact that the cash held by the institution in the loan fund  
966 will be fully depleted by such payment. The loan fund shall not be reestablished thereafter for that institution.

967 2) The cash so paid into the state treasury shall be used only for grants to undergraduate and graduate  
968 students in the Higher Education Student Financial Assistance program according to arrangements authorized  
969 by the Council and approved by the Department of Planning and Budget.

970 3) Payments on principal and interest of any promissory notes held by the discontinued loan fund shall  
971 continue to be received by the institution, which shall deposit such payments in the state treasury to the  
972 nonrevertible nongeneral fund account specified in subdivision (1) preceding, to be used for grants as

973 specified in subdivision (2) preceding.

974 6. Reporting: The Council shall collect student-specific information for undergraduate students as is  
 975 necessary for the operation of the Student Financial Assistance Program. The Council shall maintain  
 976 regulations governing the operation of the Student Financial Assistance Program based on the provisions  
 977 outlined in this section, the Code of Virginia, and State Council policy.

978 7. Waivers and Related Stipends *Virginia Military Survivors and Dependents Education Program Tuition  
 979 Waivers:*

980 a) 1) Notwithstanding any other provision of law, individuals ~~eligible for any financial aid waivers and  
 981 related stipends contained in § 23.1, Chapter 6 shall who are eligible for waivers pursuant to § 23.1-608.~~  
 982 Code of Virginia, except individuals described in paragraph d) of this section shall:

983 → 2) Establish domicile as provided in § 23.1-502, Code of Virginia, and the State Council of Higher  
 984 Education for Virginia (SCHEV) domicile guidelines.

985 → 3) Complete the Free Application for Federal Student Aid (FAFSA) or equivalent state financial aid  
 986 application.

987 → 4) Make satisfactory academic progress as defined by the institution for the purposes of eligibility  
 988 under Title IV of the federal Higher Education Act, as amended.

989 b) Waivers and related stipends under this section are limited to a certificate or associate degree at a  
 990 public two-year institution and certificate or first bachelor's degree at a public four-year institution of higher  
 991 education. Eligibility is restricted to a combined total of no more than four years or its equivalent.

992 c) 1) Waivers granted under this section shall cover the last-dollar cost of the in-state undergraduate  
 993 tuition, mandatory Education & General Program (E & G) fees and mandatory non-E & G fees after  
 994 applying, in the following order: (i) all federal aid under 38 USC Part III dollar-for-dollar; (ii) all state grants  
 995 and scholarships dollar-for-dollar; and (iii) a proportion of all federal gift aid (Pell) and expected family  
 996 contribution (EFC) or its equivalent under FAFSA Simplification as determined by SCHEV.

997 2) The proportion in c)1) (iii) shall be determined by SCHEV based on undergraduate tuition, mandatory  
 998 Education & General Program (E & G) fees and mandatory non-E & G fees as a percentage of the total cost  
 999 of attendance.

1000 3) Mandatory non-E & G fees in c) 1) are fees charged to all students regardless of degree program or as  
 1001 defined by SCHEV. Mandatory non-E & G fees do not include room and board.

1002 d) *Students enrolled in the Individuals shall not be subject to the provisions of a) 2) through a) 4), b), and  
 1003 c) of this section if they are (i) (a) the spouse or (b) an eligible child pursuant to § 23.1-608, Code of  
 1004 Virginia, of a military service member who, while serving as an active duty member in the Armed Forces of  
 1005 the United States, Reserves of the Armed Forces of the United States, or Virginia National Guard, during  
 1006 military operations against terrorism, on a peacekeeping mission, as a result of a terrorist act, or in any  
 1007 armed conflict, was killed, became missing in action, or became a prisoner of war, or of a veteran who, as a  
 1008 direct result of such service, has been rated by the U.S. Department of Veterans Affairs as totally and  
 1009 permanently disabled or at least 90 percent permanently disabled and has been discharged or released under  
 1010 conditions other than dishonorable; or (ii) (a) approved for the Program in 2023-2024 or who formally  
 1011 committed to the institution to enroll by the Department of Veterans Services by 2024; and (b) enrolled in  
 1012 Summer or Fall 2024 courses by May 15, 2024 shall not be subject to the provisions of a) 1), b), e) 1) and e)  
 1013 2) of this section.*

1014 e) *The State Council of Higher Education for Virginia shall issue guidelines pursuant to this section by  
 August 1, 2024.*

1015 f) *The Joint Legislative Audit and Review Commission (JLARC) shall conduct a review of the Virginia  
 1016 Military Survivors and Dependents Education Program established pursuant to § 23.1-608, Code of Virginia,  
 1017 to determine the long-term sustainability of the program. The review shall include, but is not limited to, the  
 1018 following: (i) analysis of participant data; (ii) assessment of waiver costs reported by institutions; (iii)  
 1019 identification of practices to support education and other benefits for veterans and their families compared to  
 1020 other states; and (iv) methods to estimate enrollment and costs. JLARC shall report its findings and make  
 1021 recommendations by November 1, 2024.*

1022 c. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

1023 Notwithstanding any other provision of law, executive branch agencies shall not pay compensation to  
 1024 citizen members of boards, commissions, authorities, councils, or other bodies from any fund for the  
 1025 performance of such members' duties in the work of the board, commission, authority, council, or other body.

1026 d. VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

1027 Notwithstanding any other provision of law, the Virginia Birth-Related Neurological Injury Compensation  
 1028 Program is authorized to require each admitted claimant's parent or legal guardian to purchase private health  
 1029 insurance (the "primary payer") to provide coverage for the actual medically necessary and reasonable  
 1030 expenses as described in Virginia Code § 38.2-5009(A)(1) that were, or are, incurred as a result of the  
 1031 admitted claimant's birth-related neurological injury and for the admitted claimant's benefit. Provided,  
 1032 however, that the Program shall reimburse, upon receipt of proof of payment, solely the portion of the

1033 premiums that is attributable to the admitted claimant's post-admission coverage from the effective date of  
1034 this provision forward and paid for by the admitted claimant's parent or legal guardian.  
1035 **2. That this act shall be effective on July 1, 2024, in accordance with § 4-14.00 of Chapter 2 of the Acts**  
1036 **of Assembly of 2024, Special Session I.**