

May 2, 2025

TO: HOUSE OF DELEGATES

HOUSE BILL NO. 1600

Dear Members of the General Assembly:

I have signed House Bill 1600, amending the appropriations made last year for the 2024-2026 biennium, with 37 item vetoes. The budget that was delivered to me returns approximately \$1.0 billion to Virginia taxpayers and makes necessary investments that address our shared priorities, including fully funding the Medicaid and Children's Services Act forecasts as well as critical incremental investments in public education, public safety and economic development.

Unfortunately, of the 205 recommended changes to the House Bill 1600 Conference Report that I submitted to you on March 24th, only 33 were adopted. The 172 that were procedurally rejected were thoughtful efforts to retain a portion of the surplus revenues as a cushion to make a one-time additional deposit to the Revenue Reserve Fund, bringing our total "rainy-day" savings to \$5 billion.

As I made clear in March, Virginia's strong economic growth affords us an opportunity to both provide tax relief to Virginians and fund key shared priorities, while retaining a portion of our surplus as a cushion to keep Virginia in a dynamic position to respond to any potential risks. I am optimistic about Virginia's longer-term prospects for Fiscal Year 2027 and Fiscal Year 2028, and beyond, but there are some short-term risks as President Trump resets both fiscal spending in Washington and trade policies that require us to be prudent and not spend all of the projected surplus before we bank it.

At this point in the legislative process, my constitutional ability to make necessary changes is limited to the use of my "item veto" authority. Therefore, of the 172 items that were returned to me unchanged, I am approving 135 as is and vetoing 37, retaining \$900.4 million of the projected \$3.2 billion surplus as a cushion.

## How We Got Here: Recent History of Financial Forecasts & House Bill 1600

In May 2024, we signed the biennial *Common Ground* budget (Chapter 2, 2024 Special Session I, Acts of Assembly) for Fiscal Year 2025 and Fiscal Year 2026, which made significant and record investments in education, public safety, health care, the environment, workforce and economic development and capital expenditures. This record budget was possible because of a revenue forecast underpinned by strong job growth and wage growth which resulted in increased receipts from individual income tax, sales and use tax, and corporate tax.

In December 2024, my administration completed an official forecast in conjunction with the Governor's Advisory Council on Revenue Estimates (GACRE) which, based on five months of FY25 actuals and prudent forecast assumptions, projected a \$3.2 billion surplus over the Chapter 2 forecast: \$2.1 billion in FY25 and \$1.1 billion in FY26.

My proposed budget amendment package presented on December 18th included \$1.1 billion in tax relief and \$2.1 billion in new appropriations from general fund forecast revenues on top of the record investments already in the Chapter 2 budget. In March 2025, at the end of the regular General Assembly session, you adopted a Conference Report providing approximately \$1 billion in tax relief and \$2.2 billion in new appropriations, albeit with significant differences in spending which contributed to structural balance concerns.

We were ahead of forecast for the first eight months of 2025 and I still felt that our financial forecast projected in December 2024 for FY25 and FY26 could be achieved. It became clear there are potential short-term risks to the amount of forecasted surplus as President Trump enacted necessary and long-overdue reforms reestablishing fiscal responsibility in the federal government.

As recently confirmed by our Moody's Aaa rating, the Commonwealth fares better than our neighbors Maryland and the District of Columbia due to the strong presence of defense and national security assets and industries and our prudent financial management and conservative budgeting. Indeed, both Maryland and D.C. have been added to a credit watch list, risking a down grade. However, job dislocations for federal workers and contractors may have an impact on our financial forecast.

The leadership of the General Assembly also believes this is a potential risk as well, and established both a House select committee and a special subcommittee of the Senate Finance and Appropriations Committee.

Conducting a line-by-line review of the budget with an eye towards potential short-term risks, I offered 205 amendments on March 24th to retain a portion of the projected surplus as a cushion.

On April 2nd, you procedurally voted down the vast majority of my amendments which reversed most of my reasonable recommendations to achieve savings and left only a \$50 million cushion across both fiscal years, despite the concerns you have publicly expressed during your multiple legislative hearings on the matter.

## **Current Revenue Scenarios**

As we begin May 2025, we remain \$85 million ahead of the forecast for FY25. However, prudent, responsible budgeting calls on us to recognize the President's efforts to reset trade relationships and continue to pursue real and necessary federal reforms create short-term risk to realizing the full amount of the potential surplus even as it creates long-term growth opportunities. Accordingly, those risks may impact FY26 revenues.

Let me be clear, I continue to believe that our December 2024 forecast can be achieved, but my fiduciary responsibility to the taxpayers of Virginia demands I take prudent, responsible action to provide additional cushion for the Commonwealth's general fund resources. To do otherwise would put me in the position, should these risks impact FY26 revenue, of having to use my statutory authority to impound spending by up to 15 percent or require the General Assembly to return later this year to make spending reductions.

I requested the Virginia Department of Taxation prepare a series of revenue scenarios for a range of fiscal impacts from federal policy. While this is not an official reforecast of revenues, the scenarios indicate that projected revenues in House Bill 1600 for FY25 should finish in line with our current projections but the revenue assumptions for FY26 could be impacted should these risks materialize.

While scenarios vary, these risks may impact forecasted \$3.2 billion surplus by as little as \$100-\$300 million to as much as \$1 billion or more. Accordingly, House Bill 1600 as signed today will retain \$900 million of the projected surplus as a cushion in general fund revenues in order to mitigate any short-term risk to the financial forecast.

## **Maintaining a Strong, Dynamic Virginia**

As I have made abundantly clear, I do not take my fiduciary responsibility to the taxpayers of Virginia lightly.

The budget I have signed, with 37 item vetoes incorporated, will continue to reflect the additional \$3.2 billion from the December 2024 forecast to provide approximately \$1.0 billion in tax relief and \$1.3 billion in additional incremental investment above Chapter 2, bringing us to a total biennial general fund budget of \$67 billion, fully funding Medicaid and Children's Services Act forecasts, increasing direct aid to public education spending by \$834 million to a record \$22.4 billion this biennium.

My actions do not result in any reductions to the current functions of government but rather reduce proposed incremental spending in some spending items. The item vetoes that I have executed make sober and responsible reductions to one-time spending as well as curtail the permanent expansion of some ongoing services that the General Assembly approved.

These item vetoes result in a retention of a portion of our project surplus equal to \$900.4 million. Of these amounts, \$691.3 million (77 percent) is from one-time capital outlay appropriations in FY25, approximately \$650 million of that from higher education. The remaining \$209.1 million (23 percent) is from operating appropriations across both years of the biennium.

These ten projects are good projects, and the appropriation should not materially change their timelines as only one was through the planning process. Deferring capital expenditures in order to preserve resources is a prudent decision. Should resources materialize over the next six months, I expect to include these projects in the budget that I introduce in December, allowing the General Assembly to fund them with cash or bonds, as appropriate.

My item vetoes are described in detail below.

Sincerely,

GLENN YOUNGKIN

**Item 24 – Commission on Electric Utility Regulation.** I am vetoing this Item as unnecessary supplemental funding for a legislative commission that performs duplicative and nonessential governmental functions. At the end of Fiscal Year 2024, the General Assembly had approximately \$50 million of its own mandatory carry-forward balances that can easily be utilized to absorb any identified cost increases for operations of the Commission if they choose.

**Item 75.J – Prohibition on Contingency Fee-based Contracts.** Under the provisions of Article 1, Section 11 of the Constitution of Virginia, I am vetoing this Item as an unconstitutional impairment of an existing contract that was entered into through legally valid and established procurement mechanisms.

**Item 102.V – First-Time Homebuyer Program.** While homeownership is an essential component of individual wealth building, I am vetoing this Item as it is unnecessarily duplicative of a variety of programs currently offered by other state entities. This effort is well intended, however the underlying legislation that was proposed during the 2025 General Assembly Session failed to pass. The proposed new program is best considered in a biennial budget and as separate legislation. Accordingly, I am vetoing this Item.

**Item 102.S – Rental Assistance Pilot Program.** I am vetoing this Item as the underlying legislation that was proposed during the 2025 General Assembly Session failed to pass. Instead, the General Assembly opted to include the totality of the legislation as an Item within HB 1600. The proposed new program is best considered through legislation in a future session of the General Assembly rather than in an amended budget bill.

**Item 102.T – Low-Barrier Emergency Shelter.** Included in my proposed amendments to HB 1600, I recommended reducing funding for this new initiative, however the General Assembly procedurally passed by this reasonable proposal. While the underlying intent of this appropriation is laudable, because the General Assembly provided me with no other option, I am compelled to exercise my constitutional authority to veto this Item.

**Item 102.W – Local Housing Trust Funds.** Included in my proposed amendments to HB 1600, I recommended reducing funding for this new initiative, however the General Assembly procedurally passed by this reasonable proposal. While the underlying intent of this appropriation is commendable, because the General Assembly provided me with no other option, I am compelled to exercise my constitutional authority to veto this Item.

**Item 103.BB – Urban Public-Private Partnership Redevelopment Fund.** The underlying authority establishing this program was enacted a quarter-century ago during the 2000 General Assembly Session, however no funding was ever appropriated to capitalize the program. Given the potential risk to the Commonwealth’s general fund revenues, the large size of this appropriation, and my fiduciary responsibility to the taxpayers of Virginia, I am vetoing this Item.

**Item 103.CC – Occoquan Riverwalk.** In my proposed amendments to HB 1600, I had recommended reducing funding for this new initiative, however the General Assembly procedurally passed by this reasonable proposal. While the underlying intent of this appropriation is laudable, because the General Assembly provided me with no other option, I am exercising my constitutional authority to veto this Item.

**Item 103.EE – City of Portsmouth Water Main.** The Commonwealth of Virginia has specific loan and grant programs to assist localities in addressing drinking water issues in their communities. Currently, the State Drinking Water Revolving Loan program has an annual appropriation of approximately \$123 million, and HB 1600 establishes a \$25 million supplemental grant program for these types of projects, to which the City of Portsmouth can apply. Included in my proposed amendments to HB 1600, I had recommended including this project within the supplemental grant program, however the General Assembly procedurally passed by this reasonable proposal. Because the General Assembly provided me with no other option, I am exercising my constitutional authority to veto this Item.

**Item 109.F – Clean Energy Innovation Bank.** Authorization and funding for the creation of the Virginia Clean Energy Innovation Bank by the General Assembly was included in the underlying Chapter 2 (2024 Special Session I). The Bank has been lawfully established, and the funding is being contractually committed to projects that will accelerate the deployment of clean power generation and energy infrastructure—including the world’s first grid-scale commercial fusion plant as well as strategic investment in Virginia’s nuclear energy workforce development with George Mason University for the installation of a NuScale Small Modular Reactor control room simulator—and address the growing energy needs of the Commonwealth. Included in my proposed amendments to HB 1600, I had recommended returning \$2 million of the initial capitalization to the General Fund, however the General Assembly procedurally passed-by this reasonable proposal. Because the General Assembly provided me with no other option, I am exercising my constitutional authority to veto this Item.

**Item 113.U – Economic Development Marketing Campaign.** The Virginia Economic Development Partnership currently has an annual marketing budget of approximately \$2.7 million from the Commonwealth’s General Fund. While additional investments in marketing efforts and capitalizing on Virginia’s premier rankings for business are admirable, this is not the time to

expand discretionary spending and can be revisited in the 2026 Session. Included in my proposed amendments to HB 1600, I recommended reducing funding for this initiative, however the General Assembly procedurally passed by this reasonable proposal. Because the General Assembly provided me with no other option, I am compelled to exercise my constitutional authority to veto this Item.

**Item 114.U – Tourism Marketing Campaign.** The Virginia Tourism Authority has an operating budget of over \$32.0 million from the Commonwealth’s General Fund, of which \$10.5 million directly supports efforts aimed at promoting Virginia as a premier travel destination. Included in my proposed amendments to HB 1600, I recommended reducing funding for this initiative, however the General Assembly procedurally passed by this reasonable proposal. While marketing to increase visitors traveling to Virginia is always meritorious, this is not the time to expand this discretionary program spending. Because the General Assembly provided me with no other option, I am compelled to exercise my constitutional authority to veto this Item.

**Item 120 – Office of School Quality Staffing Requirement.** This language establishes an unfunded staffing requirement in the Department of Education’s Office of School Quality. The Department’s 2024 Office of School Quality Report to the General Assembly acknowledged that one-time federal pandemic relief funds supported the initial expansion of this office and outlined the Department’s plan to restructure and expand the office with available General Fund support. Despite my proposed amendment to provide more funding for this office, the General Assembly does not provide any additional funding above Chapter 2 that would enable the Department to staff the office at this level, either today or on an ongoing basis. Accordingly, I veto this Item.

**Item 125.10.J – Employee Child Care Assistance Pilot Program.** Virginia has made historical investments in early learning and child care this biennium, increasing state funding from \$257 million to \$828 million, empowering parents with child care choice, expanding available child care options, providing needed support for parents to continue in the workforce, and reducing the Child Care Subsidy Program (CCSP) waitlist. My proposed amendments to HB 1600 included reasonable changes that would have allowed Virginia to serve over 2,800 additional birth-to-five children in the CCSP this biennium with a more modest additional state investment; however, the General Assembly procedurally passed-by this reasonable proposal. The Employee Child Care Assistance Pilot Program is not expected to have an impact on the CCSP waitlist this biennium because of the timing required to implement the program and the requirements attached to these funds, including higher copayments on families and the reliance on significant voluntary investment from employers. This effort is best considered in a bill and at a smaller scale to determine program effectiveness and scalability. Accordingly, I veto this Item.

**Item 234 – New College Institute Supplemental Funding.** Financial and operational challenges facing the New College Institute are well documented and I have, twice, recommended that NCI develop a meaningful business plan that best supports the educational and training needs of Southern Virginia, including exploring merging the Institute with existing regional education entities. The General Assembly has failed to acknowledge that NCI is on a challenging trajectory, and the enrolled amendment simply provides \$500,000 in additional funding on top of the existing

state funding of \$3.1 million, with neither a specific purpose nor any accountability for how the funding is spent. Accordingly, I veto this Item.

**Item 288.OO.9.d – Outside Legal Counsel.** The Office of the Attorney General is statutorily responsible for the provision and oversight of legal representation of state entities, including outside counsel. This budget Item is inconsistent with that statutory command and introduces needless ambiguity on an issue where none currently exists. Furthermore, this Item contravenes the Attorney General’s statutory role as the chief legal officer of the Commonwealth. Because this language allows for the expenditure of funds for a specific purpose, and because I view this Item to be legislation that is subject to my constitutional veto power, I hereby veto it.

**Item 288.VVVVV – Nursing Facility Rate Increases.** Chapter 2 included over \$40 million each year of this biennium for nursing homes through the Nursing Facility Value Based Program, whereby nursing homes can obtain enhanced funding for meeting or exceeding performance or improvement thresholds. The amendment added this year by the General Assembly would add nearly \$22 million in additional annual costs. Given my fiduciary responsibility to Virginia’s taxpayers, it would not be fiscally prudent for me to expand ongoing programmatic expenditures at this time. This should be considered in the future as part of a biennial budget. Accordingly, I veto this item.

**Item 288.TTTT.2 – Expand Medicaid Coverage for Weight Loss Drugs.** Last year, the General Assembly and I agreed to authorize the use of GLP-1 drugs for certain conditions. The General Assembly’s action to expand the use of these drugs for a variety of new patients created a significant financial burden that continues to increase over this biennium and into future biennia. Accordingly, I veto this Item.

**Item 296.N – New Funding for Geriatric and Dementia Services.** The amendment adopted by the General Assembly would add funding for pilot programs for services for those with dementia. While this effort is well intended, given the size of the appropriation it is best considered in a biennial budget rather than in an amended bill. Therefore, I veto this Item.

**Item 314.N – Expanded Brain Injury Community and Workforce Retention Services.** The amendments adopted by the General Assembly would seek to increase ongoing funding for existing brain injury and community integration and workforce retention services. Consideration of these programs’ needs, given the size of the appropriation, is more appropriate during the development of the biennial budget. Accordingly, I veto this Item.

**Item 359.J.1-2 – Supplemental Funding for Environmental Literacy.** The amendment adopted by the General Assembly triples the ongoing funding for the environmental literacy program at the Department of Conservation and Recreation. While this is a laudable goal, it is not a core government function. Accordingly, I veto this Item.

**Item 359.Y – Quantico Creek Flood Mitigation.** In the amendments I proposed in March, I recommended a reduction to the spending level included in this Item, however the General Assembly rejected this reasonable recommendation. I have no objection to the project itself, and there are existing programs, including the Community Flood Preparedness Fund and Stormwater

Local Assistance Fund, that are designed to provide funding for this type of project. Given my limited constitutional options, I veto this Item.

**Item 359.R – Supplemental Funding for the Community Flood Preparedness Fund.** The intent of the General Assembly to provide an additional General Fund deposit to the Community Flood Preparedness Fund is commendable, and a separate action compels me to release a like amount of nongeneral funding for this purpose. Because this appropriation is duplicative and unnecessary, I am vetoing this Item.

**Item 360.Q – Biscuit Run Park in Albemarle County.** While the Commonwealth of Virginia has a long history related to this specific property, in 2018 it was determined by Governor McAuliffe to be in the best interest of all Virginia taxpayers that Albemarle County assume responsibility for this park, and Albemarle County entered into a long-term lease to do so. The County is responsible for any operational improvements to the parcel. In the amendments that I proposed in March, I recommended that the amount of state support be reduced in half, however the General Assembly rejected this proposal. Because the General Assembly provided me with no other option, I am compelled to exercise my constitutional authority to veto this Item.

**Item 363.P – Supplemental Groundwater Research Funding.** In the amendments I proposed in March, I recommended a reduction to the spending level included in this Item, however the General Assembly rejected this reasonable recommendation. I have no objection to the work the Department of Environmental Quality has undertaken to gather important data; however, expansion of existing programmatic activities is more appropriate for consideration during the development of the biennial budget. Because the General Assembly provided me no other option, I am compelled to exercise my constitutional authority to veto this Item.

**Item 394.F – School Resource Officer (SRO) Incentive Grants.** To enhance the safety of all students, teachers, and school staff across the Commonwealth, it is critical we secure a School Resource Officer or School Security Officer in every school in Virginia. Although funding provided for this program has not been fully utilized in recent years, we have made programmatic changes and adopted legislative reforms to streamline processes at the Department of Criminal Justice Services and expand the utility of the funds to local school divisions. In addition, it is anticipated that there will be growing demand for SRO Incentive Grants from local school divisions seeking to restore SRO positions that they removed from their schools several years ago. For this reason, I veto this Item that redirects the use of this funding.

**Item 394.N – Safer Communities and Community Violence Reduction Grants.** The funding associated with Safer Communities and Community Violence Reduction Grants grew by over 400 percent between FY23 and FY26 from \$6.5 million to \$33 million with no measures being provided demonstrating the effectiveness of these programs. Additional funding for these programs should be considered in the next biennial budget, and not in FY26, when the effectiveness of these programs can be better evaluated. For this reason, I veto this Item.

**Item 433.H – Hampton Roads Transit.** The Virginia Department of Rail and Public Transportation has a system of programs dedicated to providing financial assistance for public transportation. This includes funding the acquisition of transit equipment by local transportation



agencies. The General Assembly proposes to provide supplemental general funds to Hampton Roads Transit for a one-time investment with no specificity on the purpose or the benefit to the Commonwealth. In addition to being an unequitable use of Virginia taxpayer dollars for the benefit of one local transit provider, it would be unfair to other local transportation agencies to disproportionately benefit one local provider. Accordingly, I veto this Item.

**Item 437.E – Interstate Location Study.** The intent of the General Assembly to provide general funds for the study of the federal government’s decisions during the creation of the interstate highway system is better suited for an academic pursuit than as a core function of the Department of Transportation. Moreover, the funding amount identified for this study is insufficient to cover the anticipated cost of a consultant to perform this unnecessary study. Therefore, I veto this Item.

**Item 471.L – Clean Energy Innovation Bank.** This Bank has been lawfully established in accordance with the authorization the General Assembly provided in Chapter 2, and the funding is being contractually committed to projects that will accelerate the deployment of clean power generation and energy infrastructure to address the growing energy needs of the Commonwealth. Accordingly, I veto this Item.

**Item 473 – Tech Talent Investment Program.** Investments in Virginia universities to encourage STEM graduates is critical to meeting 21<sup>st</sup> Century workforce demands. The Tech Talent Investment Program is a performance-based funding program, and awards must reflect an institution’s progress toward meeting the goals set forth in its memorandum of understanding with the Commonwealth. The program’s participating institutions and designated reviewers are working toward a revised methodology to determine any award reduction amounts based on performance, which will be implemented for FY26. This amendment is unnecessary and, accordingly, I veto this Item.

**Item C-5 – George Mason University Priority Facility Improvements.** In my proposed amendments to HB 1600, I recommended reduced funding for this initiative; however, the General Assembly procedurally passed by this reasonable proposal. While additional funding to address facility improvements at George Mason University is laudable, the University has spent less than one percent of the \$8 million authorized for this purpose in Chapter 2. Additionally, the University has a state-supported maintenance reserve allocation of \$9.6 million this biennium. The General Assembly can take this back up in January after the University has demonstrated that it is utilizing the funding it has already received. Given the potential risk to the Commonwealth’s General Fund revenues, the large size of this appropriation, the ability of the General Assembly to revisit this issue in January, and my fiduciary responsibility to the taxpayers of Virginia, I am vetoing this Item.

**Item C-29.30 – State Park Deferred Maintenance.** While additional funding to address deferred maintenance across the Virginia State Park system is commendable, the Department of Conservation and Recreation currently has an allocation of \$45 million to support 19 projects. Additionally, DCR currently has six capital projects to date that have not yet been able to move forward since initial authorization. Given the potential risks to the Commonwealth’s current General Fund forecast, the large size of this appropriation, the ability of the General Assembly to

revisit this issue in January, and my fiduciary responsibility to the taxpayers of Virginia, I am vetoing this Item.

**Item C-32.10 – Nottoway Correctional Center HVAC.** Included in my proposed amendments to the HB 1600 Conference Report, I recommended reducing funding to provide adequate amounts for the planning of this project. No planning has been conducted yet, and this money could not be spent until planning is completed. However, the General Assembly procedurally passed by this reasonable proposal. While the proposed purpose of the action is commendable, given the potential risks to the Commonwealth’s current General Fund forecast and my fiduciary responsibility to the taxpayers of Virginia, I am vetoing this Item.

**Item C-52.10 – 2025 Higher Education Capital Outlay Pool.** The Commonwealth of Virginia currently has \$3.2 billion in authorized capital outlay projects at our public institutions of higher education. Of this amount, only \$551 million (17 percent) has been expended. While the 10 new projects included in the 2025 Higher Education Capital Outlay Pool are each worthy investments, it would not be financially prudent for me to advance these projects to the construction phase with the current risks to our General Fund forecast. As Chief Executive Officer of the Commonwealth, the conservative course of action is to delay appropriation for these projects. Almost all of these projects are not yet ready to move to the bid stage prior to the end of the fiscal year. Deferring this appropriation does not terminate the projects themselves but continues them in the planning stage. Funding for the construction of the identified projects should be included in the FY26 “Caboose” budget that I will introduce in December, should the revenues required to support their construction continue to be available. Therefore, I veto this Item.

**Item C-53.60 – Nottoway Water Infrastructure Project.** Three state facilities rely on drinking water provided from the Town of Crewe in Nottoway County. Uncertainty over the continued viability of Crewe to provide safe and reliable water to these facilities resulted in a study by the Department of General Services, authorized in the Appropriations Act, that identified several options for ensuring ongoing and sufficient water for these facilities. The Appropriations Act also authorized the Director of the Department of General Services to determine the most appropriate option to pursue from the study. Given this, I veto this Item that directs the expenditure of funding for a particular option that might not best ensure the availability of safe drinking water to the three state facilities.

**Item 4-1.02 – Withholding of Spending Authority.** The Constitution of Virginia (Article 4, Section 6) establishes a process by which the General Assembly can call itself into a Special Session. Language which would further compel me to convene an additional Session under certain circumstances is wholly unnecessary. In addition, this Item is not a condition that is tied to any specific appropriation, but rather it is stand-alone legislation that should be considered independent of the Appropriations Act. Accordingly, I veto this Item.

ITEM 23.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	records related to the Department case file of a named suspect, and (iv) any other information				
2	that may be necessary to the successful and timely completion of the review. Information				
3	received or disseminated for purposes of this review shall not be subject to the Virginia				
4	Freedom of Information Act (§ 2.2-3700).				
5	3. The Virginia State Crime Commission shall have the authority to review additional case				
6	files to address related matters as deemed appropriate, in consultation with the House				
7	Appropriations and Senate Finance and Appropriations Committees. The Crime Commission				
8	shall report on its findings by the first day of each General Assembly Session until completion				
9	of this review.				
10	B.1. For the purpose of carrying out its duties and notwithstanding any contrary provision of				
11	law, the Virginia State Crime Commission shall have the legal authority to access the records,				
12	information, facilities, and employees of every department, division, board, bureau,				
13	commission, authority, or other agency created by the Commonwealth or to which the				
14	Commonwealth is a party or from any political subdivision of the Commonwealth. Upon				
15	request, such entities shall provide the Virginia State Crime Commission with records and any				
16	other information deemed necessary by the Virginia State Crime Commission for the				
17	performance of its duties. Additionally, upon request, such entities shall allow the Virginia				
18	State Crime Commission access to their facilities and ample opportunity to observe their				
19	operations. Such entities may not require the Virginia State Crime Commission to pay a fee to				
20	obtain records or any other information, or to access their facilities or observe their				
21	operations. Upon request, the Executive Secretary of the Supreme Court of Virginia shall				
22	provide the Virginia State Crime Commission with case data, in an electronic format, from its				
23	district and circuit court case management systems for all adults and juveniles charged with a				
24	criminal offense, civil offense, or traffic violation. If a clerk of the circuit court does not				
25	participate in the statewide Circuit Case Management System maintained by the Executive				
26	Secretary of the Supreme Court of Virginia, then upon request such clerk of the circuit court				
27	shall provide the Virginia State Crime Commission with case data, in an electronic format,				
28	from its own case management system for all adults and juveniles charged with a criminal				
29	offense, civil offense, or traffic violation.				
30	2. The Virginia State Crime Commission may use the data provided by the Executive				
31	Secretary of the Supreme Court of Virginia or any clerk of the circuit court for research,				
32	evaluation, or statistical purposes only and shall ensure the confidentiality and security of the				
33	data. The Virginia State Crime Commission shall not publish personal or case identifying				
34	information, including names, social security numbers, and dates of birth, which may be				
35	included in the data from the case management systems. Upon transfer to the Virginia State				
36	Crime Commission, such data shall not be subject to the Virginia Freedom of Information				
37	Act. Except for the publishing of personal or case identifying information, including names,				
38	social security numbers, and dates of birth, the restrictions in this section shall not prohibit the				
39	Virginia State Crime Commission from publishing aggregate data as part of its reports or				
40	presentations, or from sharing aggregate data when requested by a member of the General				
41	Assembly, a member of the Virginia State Crime Commission, the Office of the Attorney				
42	General, the Office of the Governor, or a member of the Governor's Cabinet.				
43	Total for Virginia State Crime Commission.....			\$1,844,034	<del>\$1,844,034</del> \$1,919,034
44					
45	General Fund Positions.....	11.00	11.00		
46	Nongeneral Fund Positions.....	4.00	4.00		
47	Position Level.....	15.00	15.00		
48	Fund Sources: General.....	\$1,706,521	<del>\$1,706,521</del> \$1,781,521		
49					
50	Federal Trust.....	\$137,513	\$137,513		
51	§ 1-5. COMMISSION ON ELECTRIC UTILITY REGULATION (863)				
52	24. Research, Planning, and Coordination (78800).....			\$691,050	<del>\$691,050</del> \$766,050
53					
54	Policy Research and Planning (78801).....	\$691,050	<del>\$691,050</del> \$766,050		
55					

I veto Item 24 on

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MK YL 5-2-25

ITEM 24.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	Fund Sources: General.....	\$691,050	<del>\$691,050</del> \$766,050		
2					
3	Total for Commission on Electric Utility				
4	Regulation.....			\$691,050	<del>\$691,050</del> \$766,050
5					
6	General Fund Positions.....	6.00	6.00		
7	Position Level.....	6.00	6.00		
8	Fund Sources: General.....	\$691,050	<del>\$691,050</del> \$766,050		
9					
10	24.50 Not set out.				
11	<b>§ 1-6. JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION (110)</b>				
12	25. Legislative Evaluation and Review (78300).....			\$6,244,847	<del>\$6,244,847</del> \$6,069,847
13					
14	Performance Audits and Evaluation (78303).....	\$6,244,847	<del>\$6,244,847</del> \$6,069,847		
15					
16	Fund Sources: General.....	\$6,103,939	<del>\$6,103,939</del> \$5,928,939		
17					
18	Trust and Agency.....	\$140,908	\$140,908		
19	Authority: Title 30, Chapters 7 and 8, Code of Virginia.				
20	A. Out of this appropriation shall be paid the annual salary of the Director, Joint				
21	Legislative Audit and Review Commission (JLARC), \$206,186 from June 10, 2024 to				
22	June 9, 2025 and \$212,372 from June 10, 2025 to June 30, 2026.				
23	B. Expenses associated with the oversight responsibility of the Virginia Retirement				
24	System by JLARC and the House Appropriations and Senate Finance and Appropriations				
25	Committees shall be reimbursed by the Virginia Retirement System upon documentation				
26	by the Director, JLARC of the expenses incurred.				
27	C. Out of this appropriation, funds are provided to continue the technical support staff of				
28	JLARC, in order to assist with legislative fiscal impact analysis when an impact statement				
29	is referred from the Chairman of a standing committee of the House or Senate, and to				
30	conduct oversight of the expenditure forecasting process. Pursuant to existing statutory				
31	authority, all agencies of the Commonwealth shall provide access to information				
32	necessary to accomplish these duties.				
33	D.1. The General Assembly hereby designates the Joint Legislative Audit and Review				
34	Commission (JLARC) to review and evaluate the Virginia Information Technologies				
35	Agency (VITA) on a continuing basis and to make such special studies and reports as may				
36	be requested by the General Assembly, the House Appropriations Committee, or the				
37	Senate Finance and Appropriations Committee.				
38	2. The areas of review and evaluation to be conducted by the Commission shall include,				
39	but are not limited to, the following: (i) VITA's infrastructure outsourcing contracts and				
40	any amendments thereto; (ii) adequacy of VITA's planning and oversight responsibilities,				
41	including VITA's oversight of information technology projects and the security of				
42	governmental information; (iii) cost-effectiveness and adequacy of VITA's procurement				
43	services and its oversight of the procurement activities of State agencies.				
44	3. For the purpose of carrying out its duties and notwithstanding any contrary provision of				
45	law, JLARC shall have the legal authority to access the information, records, facilities,				
46	and employees of VITA.				
47	4. Records provided to VITA by a private entity pertaining to VITA's comprehensive				
48	infrastructure agreement or any successor contract, or any contractual amendments thereto				
49	for the operation of the Commonwealth's information technology infrastructure shall be				
50	exempt from the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), to the extent				
51	that such records contain (i) trade secrets of the private entity as defined in the Uniform				

ITEM 75.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	Fund shall be considered part of the overall Health Insurance Fund. It is the intent of the				
2	General Assembly that future premiums for the state employee health insurance program shall				
3	be set in a manner so that the balance in the Health Insurance Fund will be sufficient to meet				
4	the estimated Incurred But Not Paid liability for the Fund and maintain a contingency reserve				
5	at a level recommended by the Department of Human Resource Management for a self-				
6	insured plan subject to the approval of the General Assembly.				
7	E. The Department of Human Resource Management shall implement a Medication Therapy				
8	Management pilot program for state employees with certain disease states including Type II				
9	diabetes. The department shall continue to consult with all provider stakeholders in order to				
10	establish program parameters.				
11	F. Concurrent with the date the Governor introduces the budget bill, the Directors of the				
12	Departments of Planning and Budget and Human Resource Management shall provide to the				
13	Chairs of the House Appropriations and Senate Finance and Appropriations Committees a				
14	report detailing the assumptions included in the Governor's introduced budget for the state				
15	employee health insurance plan. The report shall include the proposed premium schedule that				
16	would be effective for the upcoming fiscal year and any proposed changes to the benefit				
17	structure.				
18	G. In addition to such other payments as may be available, the full cost of group health				
19	insurance, net of any deductions and credits, for the surviving spouses and dependents of				
20	certain public safety officers killed in the line of duty and for certain public safety officers				
21	disabled in the line of duty, and the spouses and dependents of such disabled officers, are				
22	payable from this Item pursuant to Title 9.1, Chapter 4, Code of Virginia, effective July 1,				
23	2017.				
24	H. The Department of Human Resource Management shall notify the General Assembly at				
25	least 30 days prior to any proposed modifications to the benefit structure or any solicitation				
26	for health insurance for state employees, and shall include on the evaluation committee for				
27	any solicitation the staff directors, or their designees, of the House Appropriations and Senate				
28	Finance and Appropriations Committees, and a designated staff member from the office of the				
29	Executive Secretary of the Supreme Court of Virginia.				
30	<i>1.1. The Department of Human Resource Management shall establish a State Health Plan</i>				
31	<i>Advisory Council. The Council shall be comprised of seven members that include: the</i>				
32	<i>Secretary of Administration, the Secretary of Finance, the Secretary of Health and Human</i>				
33	<i>Resources, the Director of the Department of Human Resource Management, the Director of</i>				
34	<i>the Department of Planning and Budget, the staff director of the House Appropriations</i>				
35	<i>Committee, and the staff director of the Senate Finance and Appropriations Committee. Any</i>				
36	<i>member of the Council may send a designee in their place as a member of the Council.</i>				
37	<i>2. The Council shall meet at least once each year to: (i) review the performance of the state</i>				
38	<i>health plans for the prior fiscal year including claims payments, cost drivers, and access to</i>				
39	<i>providers; (ii) review plan benefits and cost sharing provisions; and (iii) review growth in</i>				
40	<i>premiums and the financial status of Health Insurance Fund. The Council shall annually</i>				
41	<i>make recommendations to the Governor and the General Assembly regarding any changes to</i>				
42	<i>the state health plans.</i>				
43	<i>J. No expenditure of funds out of this item shall be made to make any payments to a vendor</i>				
44	<i>pursuant to any contingency fee contract. The Department of Human Resource Management</i>				
45	<i>shall not contract with any vendor using a contingency fee payment model.</i>				
46	Total for Administration of Health Insurance.....			\$2,481,071,067	\$2,556,071,067
47	Fund Sources: Enterprise.....	\$587,455,244	\$587,455,244		
48	Internal Service.....	\$1,858,195,823	\$1,933,195,823		
49	Trust and Agency.....	\$35,420,000	\$35,420,000		
50	76. Not set out.				
51	Grand Total for Department of Human Resource				
52	Management.....			\$2,605,033,623	\$2,680,082,764
53					\$2,680,380,180

1 veto Item 75 J  
on page 66  
5-2-25



## ITEM 102.

**Item Details(\$)**  
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Service Area 3. The platform shall provide care coordination across local, regional, and state entities for mass casualty, evacuation, and other events involving patient transport. The pilot program will evaluate the effectiveness of an emergency management mobile application communications platform in Southwest Virginia by measuring its impact on key performance indicators, including: number of participating organizations/personnel, platform usage, time to treatment, and user satisfaction. An interim report detailing the pilot program launch will be submitted to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee by December 1, 2025. A final report including quantitative data and qualitative feedback gathered from participating organizations and personnel will be submitted to the Chairs by October 1, 2026.

3. The Director of the Department of Housing and Community Development is authorized to reduce funds provided for major weather event disaster mitigation in paragraph Q.2. if eligible claims for relief as provided in paragraph Q.1. exceed \$25,000,000, to the extent that unobligated funds from paragraph Q.2. are available.

4. The department shall report to the General Assembly on the expenditure of funds from paragraph Q.1. within 90 days of the completion of this assistance program to include total assistance deployed by type of loss, total victims served, and completion of funded repairs or new residential construction. The department shall report to the General Assembly on the expenditure of funds from paragraph Q.2. on or before December 1, 2026, except as provided in Q.2.c. At a minimum the report shall contain information on the number and type of applicants, the number of grants made, and expenditure of grant funding, and the projects completed.

5. The department may recover administrative costs from the amounts provided in this paragraph including any necessary costs for partnerships with individuals and entities, including local departments of social services, entities of local government, planning district commissions, and non-profits to effectuate the provisions of this paragraph. The amounts provided in this paragraph Q. shall not revert to the general fund at the end of any fiscal year.

R. Out of this appropriation, \$675,000 the second year from the general fund shall be provided to support the organizational capacity and administrative needs of the Continuum of Care lead agencies in Virginia, including local planning groups in the Balance of State Continuum of Care, as they serve persons at risk of or experiencing homelessness in their regions. The department shall determine, with input from Continuum of Care lead agencies and other stakeholders, the activities that are eligible for funding, which shall include but are not limited to: (i) the development and management of homeless crisis response systems; (ii) grant administration and reporting; (iii) staff training; and (iv) essential operational tasks. The department shall provide these funds as grants in a formula determined by the department with input from stakeholders.

S.1. Out of the amounts appropriated in this item, \$20,000,000 the first year from the general fund shall be used to establish and implement a rental assistance pilot program in Planning District Commission Regions 8 and 23. The department may utilize up to five percent of the funding for the administrative costs associated with implementing the program. The amounts provided in this paragraph S. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

2. For the purposes of this paragraph, "qualifying household" means a family unit that resides together in one dwelling (i) that includes at least one person 16 years of age or younger and (ii) whose income does not exceed 50 percent of the area median income for the locality in which such family resides, as calculated by the U.S. Department of Housing and Urban Development.

3. The department shall establish criteria and guidelines for this pilot program on or before December 1, 2025. The guidelines shall provide that qualifying households may receive monthly rental assistance equal to the lesser of (i) the amount necessary to reduce their housing costs to 30 percent of the monthly adjusted net income of the household or (ii) the applicable payment standard as determined by the department. Rental assistance issued pursuant to this paragraph may be used for housing in any locality in Planning District Commission Regions 8 and 23, and for housing costs other than rent, such as security deposits and application fees.

I veto Item 102.S  
on pages 94-95  
JL Yf.  
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4. The guidelines for the administration of the pilot program shall be informed by the 2022 Virginia Housing Stability Fund Model Program Guidelines report and by consultations with various stakeholders, including the Department of Social Services, Virginia Housing, the Department of Education, McKinney-Vento liaisons, Continuum of Care lead agencies, housing providers, public housing authorities, tenants, and others. The department may administer the pilot program in partnership with local and regional agencies, with a priority for partnerships with local school divisions and McKinney-Vento liaisons. The department shall determine rental assistance payment standards for each size of a dwelling unit in a market area, which shall be greater than or equal to the Small Area Fair Market Rent, as established annually by the U.S. Department of Housing and Urban Development, for the same size of dwelling unit in the same market area. The department shall develop a process to ensure that each dwelling unit for which rental assistance is used is safe and habitable.

5. The department shall collect data on the utilization of the rental assistance issued in each fiscal year under the pilot program and submit an annual report to the General Assembly on or before December 1 of each year with an update on the implementation and impact of the pilot program.

6. The department shall convene a group of stakeholders to consider and make recommendations regarding potential funding sources to support the program's continuation beyond the initial pilot stage, and it shall submit the recommendations of the stakeholder group to the Chairs of the Senate Finance and Appropriations Committee and House Appropriations Committee on or before November 1, 2025. The department shall convene this stakeholder group no later than June 1, 2025, and shall include as members of the stakeholder group representatives of the following: Virginia Housing, McKinney-Vento liaisons, legal aid, affordable housing providers, public housing authorities, residential landlords, residential tenants, and others identified by the department.

7. Any funds remaining on June 30 of either fiscal year shall carryforward to the next fiscal year and be reappropriated for the same purpose.

T. Out of this appropriation, \$1,500,000 the first year from the general fund is provided to the City of Charlottesville to support the repurposing of an existing facility to create a low-barrier emergency shelter to address urgent need. The funding in this paragraph shall be contingent on the approval of the project by the Charlottesville City Council. Any funding remaining at the end of the fiscal year 2025 shall be carried forward to the next fiscal year and reappropriated for the purposes described in this paragraph T.

U. Out of the appropriation in this item, \$1,500,000 the first year from the general fund is provided to the City of Portsmouth to support ForKids' expansion of eviction prevention programs and targeted support for McKinney-Vento children in Portsmouth, Chesapeake, and the surrounding areas. The amounts provided in this paragraph U. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

V.1. Out of this appropriation, \$15,000,000 the first year from the general fund is provided for the department to establish the First-Time Homebuyer Grant Program to assist eligible first-time homebuyers in paying for first-time homebuyer expenses. The department shall award eligible first-time homebuyers a grant in an amount equal to five percent of first-time homebuyer expenses incurred during the calendar year, not to exceed \$10,000, on a first-come, first-served basis. Any grant awarded pursuant to this paragraph shall be repaid to the Commonwealth in the event that the residential real property for which first-time homebuyer expenses were incurred and such grant was awarded is sold within three years from the purchase date of such property. Repayment pursuant to this subsection shall not be required if such sale was made following a natural disaster or other act of God that made such residential real property uninhabitable. The Department shall develop guidelines for administering the program and for any repayment requirements provided by this paragraph on or before August 1, 2025. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

2. For the purposes of this paragraph, "First-time homebuyer expenses" means costs

I Veto HCM 102.T  
On page 95

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5-2-25

I Veto HCM 102.V  
On pages 95-96

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5-2-25

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## ITEM 102.

**Item Details(\$)**  
**First Year      Second Year**  
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**First Year      Second Year**  
**FY2025          FY2026**

incurred by a first-time homebuyer in the purchase of direct ownership in residential real property in an amount equal to the purchase price value of such property detailed on the standard purchase agreement.

3. For the purposes of this paragraph, "Eligible first-time homebuyer" means an individual or married individuals filing jointly (i) who has had no ownership interest in a principal residence during the preceding three-year period ending on the date of purchase of the residential real property detailed on the standard purchase agreement and (ii) who has an annual household income in the most recent taxable year that does not exceed the greater of (a) \$100,000 or (b) the median annual household income for the locality in which such residential real property is situated according to the most recent data available from the U.S. Census Bureau.

4. Of the amounts in this paragraph, the department may use up to \$300,000 to administer this program. The amounts provided in this paragraph V. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

W. Out of this appropriation, \$13,000,000 the first year from the general fund is provided for the department to award grants to localities or planning district commissions that have established or will establish by December 31, 2025, a local Housing Trust Fund for long-term local investments related to affordable housing. The department shall develop criteria and guidelines for these one-time grants on or before August 1, 2025. Of the amounts in this paragraph, \$5,000,000 shall be provided to Prince William County to support affordable housing. Of the amounts in this paragraph, \$1,000,000 shall be provided to the City of Emporia to support an affordable housing project. Of the amounts in this paragraph, \$250,000 shall be provided to Tazewell County for remediation of blighted properties in the Town of Richlands to create affordable housing construction sites. The amounts provided in this paragraph W. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

X. The department shall identify programs designed to keep long-term residents in their primary homes as real property tax liabilities increase, including the Longtime Owner Occupancy Program (LOOP) as implemented in Philadelphia, Pennsylvania. The department shall review and provide recommendations for eligibility criteria based on financial indicators, financing options including voluntary locality contributions or offsets, and assess feasibility, equity, and efficiency of administration and implementation at the local, regional, or state level. The department shall convene a group of national, state, and local tax and housing experts to assist with developing recommendations, with the support of the Department of Taxation and the Commission on Local Government. The department shall submit their findings to the Chairs of House General Laws and Senate General Laws and Technology by September 1, 2025.

Y. Out of this appropriation, \$500,000 the first year from the general fund is provided to the City of Suffolk to support the construction of a homeless shelter. The amounts provided in this paragraph Y. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

I veto Item 102.W  
on page 96  
5-2-25

103.	Community Development Services (53300).....		\$124,652,325	\$93,477,325
	Community Development and Revitalization (53301)		\$159,702,325	\$81,477,325
		\$69,166,159	\$39,166,159	
		\$100,216,159	\$27,166,159	
	Financial Assistance for Regional Cooperation (53303).....	\$35,960,497	\$35,960,497	
	Financial Assistance for Community Development (53305).....	\$19,525,669	\$18,350,669	
		\$23,525,669		
	Fund Sources: General.....	\$94,927,401	\$63,752,401	
		\$129,977,401	\$51,752,401	
	Special.....	\$5,246,590	\$5,246,590	
	Trust and Agency.....	\$150,000	\$150,000	
	Federal Trust.....	\$24,328,334	\$24,328,334	

Authority: Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11;



## ITEM 103.

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department; demonstrate at a minimum a dollar-for-dollar match of non-state resources for these site readiness improvements; and attest to the department the commitment of a company to locate or expand operations on the site, which may include a data center company, data center operator, manufacturer, logistics company or a company specializing in maintenance, repair, and operations. The amounts provided in this paragraph AA. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

BB. Out of this appropriation, \$2,500,000 the first year from the general fund is provided for the Urban Public-Private Partnership Redevelopment Fund. Notwithstanding the provisions of § 15.2-2417, Code of Virginia, the department shall develop appropriate criteria and guidelines for the administration of the grant program. Such criteria shall include (i) how to prioritize awards for (a) localities experiencing an above average and high level of fiscal stress as designated by the Commission on Local Government in its most recent "Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Cities and Counties" and (b) localities experiencing a significant decrease in commercial real estate assessments and (ii) the amount and type of local match, to include both requirements that consider monetary contributions and requirements that consider nonmonetary contributions. Eligible project partners for local governments shall include private developers including limited partnerships, limited liability companies, or domestic corporations, nonprofit organizations that are exempt from taxation under § 501(c)(3) of the Internal Revenue Code, local government and regional authorities, land bank entities as defined by § 15.2-7500, and common interest communities as defined by § 54.1-2345, including property owners' associations as defined by the Property Owners' Association Act (§ 55.1-1800 et seq.), condominium unit owners' associations established pursuant to the Virginia Condominium Act (§ 55.1-1900 et seq.), and real estate cooperative associations established pursuant to the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.). Of the amounts in this paragraph, \$200,000 is provided to the department for program administration.

CC. Out of this appropriation, \$1,200,000 the first year from the general fund is provided to Prince William County to support the Occoquan Riverwalk project. The amounts provided in this paragraph CC. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

DD. Out of the amounts in this item, \$4,250,000 the first year from the general fund is provided to the City of Portsmouth for sanitary sewer pump station upgrades. The amounts provided in this paragraph DD. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

EE. Out of the amounts in this item, \$6,000,000 the first year from the general fund is provided to the City of Portsmouth to support the Prentis Street transmission water main improvements project. The amounts provided in this paragraph EE. shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

I veto Item 103.BB  
on page 106

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5-2-25

I veto Item 103.CC  
on page 106

5-2-25

I veto Item 103.EE  
on page 106

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5-2-25

104. Not set out.

105. Not set out.

106. Not set out.

107. Not set out.

Total for Department of Housing and Community Development.....

\$461,125,882 \$428,825,882  
\$597,675,882 \$416,825,882

General Fund Positions..... 111.25 111.25  
Nongeneral Fund Positions..... 104.75 104.75  
Position Level..... 216.00 216.00

Fund Sources: General..... \$225,629,060 \$193,329,060  
Special..... \$362,179,060 \$181,329,060  
Trust and Agency..... \$103,461,630 \$103,461,630  
Trust and Agency..... \$150,000 \$150,000

## ITEM 109.

**Item Details(\$)**  
**First Year**      **Second Year**  
**FY2025**        **FY2026**

**Appropriations(\$)**  
**First Year**      **Second Year**  
**FY2025**        **FY2026**

Federal Trust..... \$2,146,870      \$2,146,870

Authority: Title 45.2, Chapter 17, Code of Virginia.

A. Out of this appropriation, \$38,362 the first year and \$38,362 the second year from the general fund shall be provided for dues and expenses for the Southern States Energy Board.

B. To defray the costs of implementing the Virginia Energy Management Program, the Department of Energy is authorized to have included in state fuel oil, natural gas, electricity, and similar energy contracts a provision for suppliers to collect from using agencies and remit to the department an administrative surcharge. The surcharge shall reflect the department's actual costs to administer the program. Additionally, the department is authorized, consistent with federal funding rules, to distribute energy-related federal funds as grants or as loans to other state or nonstate agencies for use in financing energy-related projects, and to recover from the recipient an administrative service charge to recover the department's costs of administering such grant or loan programs.

C. Out of this appropriation, \$137,000 the first year and \$137,000 the second year from the general fund is provided to support one position within the Division of Energy to assist localities with siting, procurement, land use concerns, and other solar energy-related issues.

D. Out of this appropriation, \$387,500 the first year and \$387,500 the second year from the general fund is provided to support the Office of Offshore Wind to coordinate state agency activities to develop and execute strategies that reduce barriers for deployment of offshore wind and attract offshore wind supply chain businesses for Virginia's benefit, promote Virginia's infrastructure and workforce development assets, work with public and private sector partners to make Virginia a regional hub for offshore wind, and to provide staff support for the Virginia Offshore Wind Development Authority.

E. Out of this appropriation, \$250,000 the first year and \$250,000 the second year from the general fund is provided to expand capacity at the department to focus on solar and energy efficiency projects. This funding shall support the following activities: (i) securing and maximizing federal grants; (ii) building relationships with federal agencies; and (iii) supporting economic development of renewable energy industries and their relevant supply chains.

*F. Upon the effective date of this act, in accordance with § 4-14.00, the State Comptroller shall revert to the general fund \$10,000,000 from the general fund balances of this department.*

I veto 109.F  
on page 108

*5-2-25*

Not set out.

Total for Department of Energy.....

\$55,430,090      \$55,430,090  
\$55,655,090

General Fund Positions..... 113.47      113.47

Nongeneral Fund Positions..... 123.53      123.53

Position Level..... 237.00      237.00

Fund Sources: General..... \$16,363,489      \$16,363,489

\$16,588,489

Special..... \$8,577,088      \$8,577,088

Trust and Agency..... \$525,000      \$525,000

Dedicated Special Revenue..... \$1,089,283      \$1,089,283

Federal Trust..... \$28,875,230      \$28,875,230

**§ 1-23. DEPARTMENT OF SMALL BUSINESS AND SUPPLIER DIVERSITY (350)**

Economic Development Services (53400).....

\$9,326,797      \$8,826,797  
\$9,476,797      \$8,912,875

Minority Business Enterprise Procurement Reporting  
and Coordination (53406).....

\$6,098      \$6,098

Minority Business Enterprise Outreach (53407).....

\$193,625      \$193,625  
\$112,440      \$112,440

## ITEM 113.

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item. Such criteria shall include: (i) a limitation of eligibility to for-profit business and nonprofit organizations, excluding institutions of higher education, with physical operations and facilities in Virginia and 150 or fewer Virginia-based employees; (ii) certification of employer eligibility by the authority following a training program of reasonable duration and agreement by the employer to reasonable mentoring and reporting obligations; (iii) a limitation of grant awards to reimbursement, not to exceed \$7,500 per higher education related internship, for a maximum of one-half of wages, including FICA, and workplace subsidies, including transportation, housing, and other internship-related expenses, paid to or for the benefit of a student participating in a qualifying internship; (iv) the minimum and maximum number of hours required to ensure the student gains valuable work experience; (v) a limitation of the qualifying number of higher education related internships per employer; and (vi) the maximum timeframe for employers to be eligible to receive the grants. Prioritization of grant awards may consider employers of 50 or fewer employees. The authority may provide other services to employers, including arranging for one or more staffing agencies to provide services related to higher education related intern recruitment and placement, but eligibility for matching grants shall not be conditioned on an employer's engagement with or use of such staffing agency or other services.

6. VEDP may employ a program administrator, contract for professional services related to marketing and communications, and take such other actions within its existing authority as it deems appropriate to accomplish the purposes of this paragraph and facilitate the partnerships and collaboration described herein. All activities and amounts are subject to annual approval by the Board of VEDP.

U. Out of this appropriations, \$1,500,000 the first year from the general fund is provided to the authority to promote Virginia to national and international site consultants, corporate executives, and others tasked with making business location recommendations and decisions.

Total for Virginia Economic Development Partnership.....

\$52,951,862 \$53,451,862  
\$54,451,862 \$59,451,862

Fund Sources: General..... \$52,951,862 \$53,451,862  
\$54,451,862 \$59,451,862

§ 1-26. VIRGINIA TOURISM AUTHORITY (320)

114.	Tourist Promotion (53600).....		\$32,214,929	\$26,014,929
			\$37,284,929	\$26,139,929
	Tourist Promotion Services (53607).....	\$32,214,929	\$26,014,929	
		\$37,284,929	\$26,139,929	
	Fund Sources: General.....	\$32,214,929	\$26,014,929	
		\$37,284,929	\$26,139,929	

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

A.1. The Department of Transportation shall pay to the Virginia Tourism Authority \$1,425,000 the first year and \$1,425,000 the second year for continued operation of the Welcome Centers, of which \$225,000 the first year and \$225,000 the second year is for maintenance of the Danville Welcome Center. The Department of Transportation shall fund maintenance at each state Welcome Center based on the agreed-upon service levels contained in the Memorandum of Agreement between the Virginia Tourism Authority and the Department of Transportation.

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

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

C. Prior to July 1 of each fiscal year, the Virginia Tourism Authority shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees

I veto Item 113.4  
on page 115  
5-2-25

ITEM 114.		Item Details(\$)		Appropriations(\$)	
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1	K. Out of the amounts in this Item, \$2,140,000 the first year and \$2,140,000 the second				
2	year from the general fund is provided for grants to promote tourism in accordance with				
3	the provisions of § 2.2-2320.2, Code of Virginia.				
4	L. The Virginia Tourism Authority shall provide technical assistance to the City of				
5	Danville on how best to plan for increased tourism in the Southside region due to				
6	infrastructure improvements at the Virginia International Raceway and the opening of a				
7	casino in the City.				
8	M. Out of this appropriation, \$300,000 the first year from the general fund shall be used				
9	by the authority to develop a marketing and promotional campaign to increase visitation to				
10	the Carter Family Fold. The authority will develop, create, and manage the campaign and				
11	may coordinate with existing regional marketing organizations and other state tourism				
12	agencies to maximize the economic impact of this campaign.				
13	N. Out of this appropriation, \$100,000 the first year from the general fund is provided to				
14	the City of Virginia Beach for the development of a Hampton Roads African American				
15	Heritage travel guide.				
16	O. Out of this appropriation, \$5,000,000 the first year from the general fund is provided				
17	for sponsorship and partnership with and promotion of the Ladies Professional Golf				
18	Association's (LPGA) 2024 Solheim Cup hosted in Gainesville, Virginia. The authority				
19	shall use these funds to: (i) promote Prince William County and other Virginia Tourism				
20	assets during this event, and (ii) provide grants to Prince William County to address public				
21	safety and transportation services required for the domestic and international travelers				
22	attending the event.				
23	P. Out of the amounts in this item, \$330,012 the first year and \$330,012 the second year				
24	from the general fund is provided to promote and advertise tourism in Virginia. These				
25	amounts include \$130,012 in the first year and \$130,012 in the second year for a				
26	partnership operated by the Virginia Association of Broadcasters to advertise Virginia				
27	Tourism, provided the Association contributes a total of at least \$390,036 in television and				
28	radio advertising value to promote tourism in Virginia in the first year and \$390,036 in the				
29	second year. Also included in these amounts is \$100,000 the first year and \$100,000 the				
30	second year to promote Virginia Parks, and \$100,000 the first year and \$100,000 the				
31	second year to promote Virginia's wineries.				
32	Q. Out of the amounts in this item, \$497,544 the first year and \$497,544 the second year				
33	from the general fund is provided to purchase media in the Washington, D.C., Virginia,				
34	and Baltimore, Maryland markets through a partnership operated by the Virginia				
35	Association of Broadcasters, in association with its affiliates in other states in the region,				
36	provided that the Association can obtain contributions of at least \$1,492,632 the first year				
37	and \$1,492,632 the second year in television, radio, and station-related internet advertising				
38	value to promote tourism in Virginia.				
39	R. Out of this appropriation, \$3,000,000 the first year from the general fund is provided to				
40	Prince William County to support the promotion of a major sporting event occurring				
41	between June 6th through June 8th of 2025. Any funding remaining at the end of the fiscal				
42	year 2025 shall be carried forward into the next fiscal year and reappropriated for the				
43	purposes described in this paragraph R., and shall not revert to the general fund.				
44	S. Out of this appropriation, \$50,000 the first year from the general fund is provided to				
45	Wise County for the Blue Highway Festival. Any funding remaining at the end of the fiscal				
46	year 2025 shall be carried forward into the next fiscal year and reappropriated for the				
47	purposes described in this paragraph S., and shall not revert to the general fund.				
48	T. Out of this appropriation, \$125,000 the first year and \$125,000 the second year from				
49	the general fund is provided to the City of Norfolk for Nauticus to support education				
50	programming for Schooner Virginia. Any funding remaining at the end of the fiscal year				
51	2025 shall be carried forward into the next fiscal year and reappropriated for the				
52	purposes described in this paragraph T., and shall not revert to the general fund.				
53	U. Out of this appropriation, \$1,250,000 the first year from the general fund is provided				
54	for the Virginia Tourism Authority to develop a marketing campaign to attract out of state				

1 veto Item 114. U on pages 117-118

12/15/25



ITEM 114.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	<i>visitors from Black, Indigenous, and Hispanic communities. The amounts provided in this</i>				
2	<i>paragraph U. shall not revert to the general fund at the end of any fiscal year, but shall be</i>				
3	<i>carried forward and reappropriated.</i>				
4	Total for Virginia Tourism Authority.....			\$32,214,929	\$26,014,929
5				\$37,284,929	\$26,139,929
6	Fund Sources: General.....	\$32,214,929	\$26,014,929		
7		\$37,284,929	\$26,139,929		
8	<b>§ 1-27. VIRGINIA INNOVATION PARTNERSHIP AUTHORITY (309)</b>				
9	115. Economic Development Services (53400).....			\$63,488,565	\$111,536,839
10				\$132,539,319	\$42,486,085
11	Economic Development Services (53412).....	\$63,488,565	\$111,536,839		
12		\$132,539,319	\$42,486,085		
13	Fund Sources: General.....	\$63,488,565	\$111,536,839		
14		\$132,539,319	\$42,486,085		
15	Authority: Discretionary Inclusion.				
16	A. The Virginia Innovation Partnership Authority (VIPA) is hereby authorized to transfer				
17	funds in this appropriation to an established managing non-profit to expend said funds for				
18	realizing the statutory purposes of the Authority, by contracting with governmental and				
19	private entities, notwithstanding the provisions of § 4-1.05 b of this act.				
20	B. This appropriation shall be disbursed in twelve equal monthly disbursements each fiscal				
21	year. The Director, Department of Planning and Budget, may authorize an increase in				
22	disbursements for any month not to exceed the total appropriation for the fiscal year if such an				
23	advance is necessary to meet payment obligations.				
24	C.1. No later than June 15 of each year, the Authority shall provide to the Chairs of the House				
25	Appropriations and Senate Finance and Appropriations Committees, the Secretary of				
26	Commerce and Trade, and the Director, Department of Planning and Budget, a report of its				
27	operating plan for each year of the biennium. No later than September 30 of each year, the				
28	Authority shall submit to the same entities a detailed expenditure report and a listing of the				
29	salaries and bonuses for all authority employees for the concluded fiscal year. Both reports				
30	shall be prepared in the formats as approved by the Director, Department of Planning and				
31	Budget, and include, but not be limited, to the following:				
32	a. All planned and actual revenue and expenditures along with funding sources, including				
33	state, federal, and other revenue sources of both the Authority and the managing non-profit				
34	entity;				
35	b. By activity or program, total grants made and investments awarded for each grant and				
36	investment program;				
37	c. By activity or program, recoveries of previous grants or investments and sales of equity				
38	positions;				
39	d. Cash balances by funding source, and a report, by program, of available, committed and				
40	projected expenditures of all cash balance; and,				
41	e. Private investment activity related to the fund of funds established in U. of this item.				
42	2. The President of the managing non-profit entity shall report quarterly to the entity's board				
43	of directors, and the Chairs of the House Appropriations and Senate Finance and				
44	Appropriations Committees, the Secretary of Commerce and Trade, and the Director,				
45	Department of Planning and Budget, in a format approved by the Board the following:				
46	a. The quarterly financial performance, determined by comparing the budgeted and actual				
47	revenues and expenditures to planned revenues and expenditures for the fiscal year;				
48	b. All investments and grants executed compared to projected investment closings, return on				
49	prior investments and grants, including all gains and losses; and				

## ITEM 119.

**Item Details(\$)**  
**First Year      Second Year**  
**FY2025          FY2026**

**Appropriations(\$)**  
**First Year      Second Year**  
**FY2025          FY2026**

*Appropriations, Senate Education and Health, House Appropriations, and House Education Committees by November 1, 2025.*

B. Out of this appropriation, \$1,551,416 the first year and \$1,551,416 the second year from the general fund is provided for continued computer adaptive test transition and revision.

C. Notwithstanding any contrary provisions of law, the Department of Education shall not be required to administer the Stanford 9 norm-referenced test.

D. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from the general fund is provided for assessment related materials for a verified credit in high school history and social science. In establishing graduation requirements, the State Board of Education shall require students to earn one verified credit in history and social science. Such verified credit shall be earned by (i) the successful completion of a state-developed end-of-course Standards of Learning assessment; (ii) achievement of a passing score on a Board-approved standardized test administered on a statewide, multistate, or international basis that measures content that incorporates or exceeds the Standards of Learning content in the course for which the verified credit is given; (iii) achievement of criteria for the receipt of a locally awarded verified credit from the local school board in accordance with criteria established in Board guidelines when the student has not passed a corresponding Standards of Learning assessment; or (iv) successful completion of assessments that include state-developed performance tasks scored locally in accordance with Board guidelines using state-developed rubrics.

120. School and Division Assistance (18500).....

\$10,039,341      ~~\$10,039,341~~  
                                  \$15,024,149

School Improvement (18501)..... \$4,641,016      \$4,641,016

School Nutrition (18502)..... \$4,871,374      ~~\$4,871,374~~

\$9,856,182

Pupil Transportation (18503)..... \$526,951      \$526,951

Fund Sources: General..... \$5,240,740      \$5,240,740

Special..... \$31,010      \$31,010

Federal Trust..... \$4,767,591      ~~\$4,767,591~~

\$9,752,399

Authority: School Improvement: § 22.1-253.13:1 et seq., Code of Virginia; P. L. 107-110, Federal Code.

School Nutrition: §§ 22.1-24, 22.1-89.1, and 22.1-207.3, Code of Virginia; P.L. 79-396, P.L. 89-642, P.L. 95-627, as amended, P.L. 108-265, Federal Code.

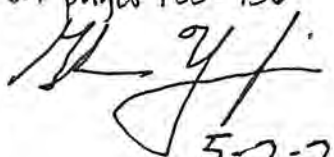
Pupil Transportation: Title 22.1, Chapter 12, and Title 46.2, Code of Virginia; P. L. 103-272 and P.L. 109-20, Federal Code.

A. This appropriation includes \$1,100,183 the first year and \$1,100,183 the second year from the general fund for contractual services related to assisting schools that do not meet the Standards of Accreditation as prescribed by the Board of Education.

B. Notwithstanding the provisions of § 2.2-1502.1, Code of Virginia, the Board of Education, in cooperation with the Department of Planning and Budget, is authorized to invite a school division to participate in the school efficiency review program described in § 2.2-1502.1, Code of Virginia, as a component of a division level academic review pursuant to § 22.1-253.13:3, Code of Virginia.

C. 1. Out of this appropriation, \$1,922,461 the first year and \$1,922,461 the second year from the general fund is provided to the Office of School Quality to assist low performing schools.

2. The Department of Education shall submit an initial report that contains: (i) the level of staffing, amount of funding, and opportunities and challenges of the Office for FY 2023 and FY 2024; (ii) the planned organizational structure, staffing, and resource needs of the Office over the next five years; (iii) the goals and expected outcomes of the Office and how the Office will collaborate with staff and units within the Department of Education to

I veto Item 120  
 on pages 135-136  
  
 5-2-25

## ITEM 120.

**Item Details(\$)**  
**First Year      Second Year**  
**FY2025          FY2026**

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**First Year      Second Year**  
**FY2025          FY2026**

support schools based on their specific needs; and (iv) a plan to evaluate the effectiveness of the Office, including feedback from school divisions and stakeholders to determine both the impact and quality of the assistance received.

3. The Superintendent shall submit the initial report by July 1, 2024, to the Chairs of the Senate Education and Health and Finance and Appropriations Committees, and the Chairs of the House Education and Appropriations Committees. The Superintendent shall submit a report on the progress of implementing the goals of the Office by June 1, 2025. Funding for the first year and second year shall be unallotted and the Department of Planning and Budget shall transfer funds allocated to the Office in the corresponding year upon submission of the reports.

*D. The Department of Education shall maintain at least 30 full-time employees in the Office of School Quality to support schools and school divisions not meeting state benchmarks. At least six of these positions shall be deployed as regional support specialists focused on academic improvement in math, literacy, and science.*

*I veto Item 120  
on pages 135-136  
5-2-25*

Not set out.

Not set out.

Administrative and Support Services (19900).....

\$27,294,418  
\$32,432,418

\$27,294,418  
\$28,169,584

General Management and Direction (19901).....

\$6,824,835  
\$4,998,310

\$6,824,835  
\$4,998,310

Information Technology Services (19902).....

\$12,783,632  
\$17,921,632

\$12,783,632  
\$13,658,798

Accounting and Budgeting Services (19903).....

\$4,745,795  
\$6,572,320

\$4,745,795  
\$6,572,320

Policy, Planning, and Evaluation Services (19929).....

\$2,940,156

\$2,940,156

Fund Sources: General.....

\$24,080,790  
\$29,218,790

\$24,080,790

Special.....

\$3,097,669

\$3,097,669

Federal Trust.....

\$115,959

\$115,959

\$991,125

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

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

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

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

## ITEM 125.10.

Item Details(\$)

First Year	Second Year
FY2025	FY2026

Appropriations(\$)

First Year	Second Year
FY2025	FY2026

1	A. Out of this appropriation, <del>\$366,312,192</del> \$391,312,192 the first year and \$461,691,610		
2	the second year from the general fund is provided to support the <del>Child Care Subsidy</del>		
3	<del>Program, Mixed Delivery Program, and Virginia Preschool Initiative Early Childhood</del>		
4	<del>Care and Education Programs</del> as provided below.		
5	Item 472 (2) of this act and Item 486 (2) of the 2022-2024 Appropriation Act provide that		
6	federal ARPA-SLRF funds returned to the State and Local Recovery Fund may be used to		
7	supplement the Child Care Subsidy Program. General funds in this Item shall be		
8	unallotted in the first year in an amount equivalent to the supplemental funds provided		
9	from the State and Local Recovery Fund, <i>and the Director, Department of Planning and</i>		
10	<i>Budget, shall revert such unallotted amounts to the general fund on or before June 30,</i>		
11	<i>2025.</i>		
12	<b>Program</b>	<b>FY 2025</b>	<b>FY 2026</b>
13	<b>Child Care Subsidy Program</b>	<b>42,719 slots</b>	<b>45,159 slots</b>
14	General Fund	\$169,836,446	\$266,500,894
15		\$174,992,388	
16	Federal CCDF	\$129,871,766	\$131,518,476
17	Federal ARPA-SLRF	\$63,996,516	\$0
18		\$69,014,425	
19	TANF/VIEW & Fee for Service (GF	\$26,864,671	\$26,864,671
20	appropriated through Department of		
21	Social Services)		
22	<b>CCDF Total</b>	<b>\$390,569,399</b>	<b>\$424,884,041</b>
23		<b>\$400,743,250</b>	
24	<b>Mixed Delivery Grant Program</b>	<b>2,530 slots</b>	<b>2,530 slots</b>
25	General Fund	\$38,837,720	\$38,837,720
26	<b>Virginia Preschool Initiative</b>		
27	General Fund: Four Year Olds	\$124,521,106	\$123,236,076
28		\$128,616,155	
29	General Fund: VPI Expansion	\$33,116,920	\$33,116,920
30		\$23,865,929	
31	<b>VPI Total</b>	<b>\$157,638,026</b>	<b>\$156,352,996</b>
32		<b>\$152,482,084</b>	
33	<b>Employee Child Care Assistance Pilot</b>	<b>\$25,000,000</b>	<b>\$0</b>
34	<b>Program</b>		
35	<b>Total General Funds</b>	<b>\$366,312,192</b>	<b>\$461,691,610</b>
36		<b>\$391,312,192</b>	

## B. Child Care Subsidy Program

1. The Department of Education and the Department of Social Services shall determine the amount of nongeneral funds to be transferred to the Department of Social Services to address costs associated with administration of the Child Care and Development Fund each year from amounts appropriated in Item 117. Additionally, the Department of Education and the Department of Social Services shall determine the amount of general and nongeneral funds to be transferred to the Department of Social Services to support the budgeted slots in the Child Care Subsidy Program from amounts appropriated in this Item.

2. The Department of Education, in collaboration with the Department of Social Services, shall prepare an annual Child Care and Development Fund (CCDF) report that reflects all CCDF expenditures from the previous fiscal year; current grant balances and obligation and liquidation deadlines; as well as all anticipated spending for the current and two subsequent fiscal years. Identified spending should, at a minimum, be broken down by subsidies (mandated and discretionary); administrative costs; and quality efforts. The plan also shall include a certification from the Department that the maximum amount of federal

1 veto  
Item  
125.  
On pages  
189 and  
197  
5-2-23



## ITEM 125.10.

Item Details(\$)  
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Appropriations(\$)  
First Year Second Year  
FY2025 FY2026

Commission shall consult representatives of school divisions, 21st Century Learning grantees, private childcare providers, Virginia Partnership for Out-of-School Time, local Parks and Recreation entities, the YMCA, Communities in Schools, Boys and Girls Clubs, and other non-profit organizations that provide out-of-school time programming.

2. Approaches to maximize state and federal resources by adjusting income eligibility requirements to reflect regional costs of living variations.

The Commission shall provide a report on its recommendations to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1, 2025.

J. The Employee Child Care Assistance Pilot Program (the Pilot Program) is established for the purpose of providing matching funds in order to incentivize employers to contribute to the child care costs of their employees. The Pilot Program shall be administered by the Virginia Early Childhood Foundation (the Foundation). The Foundation shall establish such guidelines and procedures as it deems necessary for the administration of the Pilot Program, subject to the following conditions and requirements:

1. To participate in the Pilot Program, an employer shall agree to make child care contributions to an eligible mixed delivery provider on behalf of the employee and shall provide any other information deemed necessary by the Foundation. The Foundation shall issue a state match directly to an eligible mixed delivery provider, or to a third-party administrator, that has entered into an agreement with a participating employer.

2. The Foundation shall, in consultation with the Early Childhood Care and Education Commission, establish guidelines for the pilot program. Such guidelines shall: (i) limit eligibility for state contributions for slots serving households with income at or below 85 percent of the state median income; (ii) establish a schedule of expected family copayments not to exceed 5 percent of household income for households with income at or below 300 percent of the federal poverty level and between 5 percent and 10 percent of family income for households with incomes above 300 percent of the federal poverty level and below 85 percent of the state median income; and (iii) provide that the state match does not exceed 40 percent of the cost of the slot remaining after application of family copayments.

3. Pilot Program funds shall be provided on a first-come, first-served basis. The Foundation is encouraged to prioritize participation of small businesses and serving a variety of employers and employees representing each Ready Region.

4. The Foundation may combine the Pilot Program with or incorporate the Pilot Program into a program or initiative related to the Mixed Delivery Program provided that such a combination allows for the maximization of funds used for the purposes in this item.

5. The Foundation shall provide a report to the General Assembly by September 1 each year on the effectiveness and impact of the program.

6. Any balances appropriated for the Pilot Program that are unexpended on June 30, 2025, June 30, 2026 and June 30, 2027, shall not revert to the general fund but shall be reappropriated for expenditure for the same purpose until June 30, 2028.

7. For the purpose of the Pilot Program, "Eligible mixed delivery provider" means a child day center or family day home that has been selected or identified to deliver mixed delivery services through a local agreement with the relevant regional entity established pursuant to subsection D of § 22.1-289.05 of the Code of Virginia. "Employer" means an employer with at least one employee who works in the Commonwealth in each of 20 or more calendar weeks in the current or preceding calendar year, and "Small business" means an employer with fewer than 50 employees.

K. Out of this appropriation, \$400,000 the first year from the general fund is provided for the Small Family Day Home Provider Incentive Pilot Program established in House Bill 1833. This is a one-time appropriation, and unexpended funds shall be carried forward into subsequent fiscal years and be used to support the pilot program until its expiration at the end of fiscal year 2029.

I veto Item 125.10.J  
on page 189 and 197

*[Signature]*  
5-2-25

## ITEM 233.

Item Details(\$)  
First Year Second Year  
FY2025 FY2026

Appropriations(\$)  
First Year Second Year  
FY2025 FY2026

1	Fund Sources: General.....	\$13,286,032	\$13,286,032		
2		\$13,534,941			
3	Special.....	\$6,452,595	\$6,452,595		
4	Enterprise.....	\$7,479,910	\$7,479,910		
5	Dedicated Special Revenue.....	\$20,074,288	\$20,074,288		
6	Federal Trust.....	\$250,000	\$250,000		
7	<b>§ 1-53. NEW COLLEGE INSTITUTE (938)</b>				
8	234. Administrative and Support Services (19900).....			\$4,686,850	\$4,686,850
9				\$5,186,850	
10	Operation of Higher Education Centers (19931).....	\$4,686,850	\$4,686,850		
11		\$5,186,850			
12	Fund Sources: General.....	\$3,101,809	\$3,101,809		
13		\$3,601,809			
14	Special.....	\$1,585,041	\$1,585,041		
15	Authority: Title 23.1, Chapter 31, Article 4, Code of Virginia.				
16	A. It is the intent of the General Assembly that the New College Institute, the Institute for				
17	Advanced Learning and Research, and the Southern Virginia Higher Education Center				
18	coordinate their activities, both instructional and research, to the maximum extent possible to				
19	best meet the needs of the citizens of the region, to ensure effective utilization of resources,				
20	and to avoid unnecessary duplication. The three entities shall report annually by October 1 to				
21	the Secretary of Education and the State Council of Higher Education and the Department of				
22	Planning and Budget on their joint efforts in this regard.				
23	B. The requirements of § 4-5.05 shall not apply to this appropriation.				
24	C. Notwithstanding any other provision of law, New College Institute is authorized to retain				
25	the income generated by the rental of space at the Building on Baldwin in Martinsville, VA to				
26	outside entities.				
27	Total for New College Institute.....			\$4,686,850	\$4,686,850
28				\$5,186,850	
29	General Fund Positions.....	23.00	23.00		
30	Nongeneral Fund Positions.....	6.00	6.00		
31	Position Level.....	29.00	29.00		
32	Fund Sources: General.....	\$3,101,809	\$3,101,809		
33		\$3,601,809			
34	Special.....	\$1,585,041	\$1,585,041		
35	235. Not set out.				

I veto Item 234  
on page 276  
H. G. L.  
5-2-25

36 **§ 1-54. ROANOKE HIGHER EDUCATION AUTHORITY (935)**

37	236. Administrative and Support Services (19900).....			\$2,802,652	\$2,884,652
38				\$3,447,824	
39	Operation of Higher Education Centers (19931).....	\$2,802,652	\$2,884,652		
40		\$3,447,824			
41	Fund Sources: General.....	\$2,802,652	\$2,884,652		
42		\$3,447,824			
43	Authority: Title 23.1, Chapter 31, Article 5, Code of Virginia.				
44	A. The requirements of § 4-5.05 shall not apply to this appropriation.				
45	Total for Roanoke Higher Education Authority.....			\$2,802,652	\$2,884,652
46				\$3,447,824	
47	Fund Sources: General.....	\$2,802,652	\$2,884,652		
48		\$3,447,824			

## ITEM 288.

Item Details(\$)  
First Year Second Year  
FY2025 FY2026

Appropriations(\$)  
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transferring funds to the department for purposes of covering the non-federal share of the authorized payments. Virginia community colleges, Virginia public institutions of higher education, local governments, and instrumentalities of local government are public entities that are authorized to transfer funds to the department for purposes of covering the non-federal share of the authorized payments. Such public entities would enter into an Interagency Agreement with the department for this purpose. The department shall develop a plan, that could take effect July 1, 2023, for making managed care directed payments or supplemental payments as follows: Physician fee-for-service (FFS) supplemental payments through a state plan amendment and physician managed care directed payments through managed care contracts up to the Average Commercial Rate for practice plans that are a component of the participating hospitals or health system. The plan shall identify the public entity who will transfer funds to the department, the amount and duration of such transfers, the purpose and amount of any supplemental payment or managed care direct payments made to private hospitals and related health systems, and the impact, if any, on other supplemental payment programs currently in effect. The plan shall also include the appropriate references that provide authority for such payments.

b. The department shall have the authority to amend the State Plan for Medical Assistance and managed care contracts to make supplemental payments and managed care directed payments to private hospitals for physician services effective July 1, 2024. Reimbursement changes shall be effective prior to completion of any regulatory process in order to effect such changes. No payment shall be made without approval from CMS and an Interagency Agreement with a public entity capable of transferring the non-federal share of authorized payments to the department. The funds to be transferred must comply with 42 CFR 433.51 and 433.54. Such funds may not be paid from any private agreements with public entities that are in excess of fair market value or that alleviate pre-existing financial burdens of such public entities. Public entities are authorized to use general fund dollars to accomplish this transfer. As part of the Interagency Agreements the department shall require the public entities to attest to compliance with applicable CMS criteria. The department shall also require any private hospital and related health systems receiving payments under this Item to attest to compliance with applicable CMS criteria. Upon notification by the Department of any deferral or disallowance issued by CMS regarding the supplemental or managed care directed payment arrangement, the hospital provider will return the entire balance of the payment to the Department within 30 days of notification. If the hospital does not return the entire balance of the payment to the Department within the specified timeframe, a judgement rate of interest set forth in Title 6.2-302 will be applied to the entire balance, regardless of whatever portion has been repaid. In addition, the non-federal share of the agency's administrative costs directly related to administration of the programs authorized in this paragraph, including staff and contractors, shall be funded by participating public entities. These funds shall be deposited into a special fund created by the Comptroller and used to support the administrative costs associated with managing this program. Any funds received for this purpose but unexpended at the end of the fiscal year shall remain in the fund for use in accordance with this provision.

c. The purposes to which the additional payments authorized in paragraph OO.9.b. of this Item shall be applied include: (i) increasing and enhancing access to outpatient care for Medicaid recipients; (ii) stabilizing and supporting critical healthcare workforce needs; and (iii) advancing the department's health and quality improvement goals; these shall contain specific measurable outcomes that will be approved, and monitored by the Department quarterly. Payment shall be dependent on progress towards goal attainment on all three purposes. Participating organizations must submit quarterly updates and annual reports on purposes no later than October 1. The department, with the assistance of the participating organizations, shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year on the impact of this initiative.

d. Notwithstanding any other provision of law, due to the complexities of federal Medicaid financial support policies, public entities, including Virginia public institutions, Virginia public institutions of higher education and Virginia community colleges, that wish to participate in the program referenced in Item 288, paragraph OO.9., may employ or retain private legal counsel, in consultation with the Division of Risk Management, to advise or represent the public entity in such participation. Costs for such legal counsel

I veto Item 288.00.9.a  
on pages 351-352

*[Signature]*  
5-2-25



ITEM 288.

1 veto Hem 288.00.9.d  
on pages 351-352

## Item Details(\$)

First Year  
FY2025

Second Year  
FY2026

## Appropriations(\$)

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shall be borne by program participants.

15-2-23

10. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to make supplemental payments through an adjustment to the formula for indirect medical education (IME) reimbursement, using managed care discharge days, for an acute care hospital chain with a level one trauma center in the Tidewater Metropolitan Statistical Area (MSA) in 2020, upon the execution of affiliation agreements with public entities that are capable of transferring funds to the department for purposes of covering the non-federal share of the authorized payments. Such public entities would enter into an Interagency Agreement with the department for this purpose. Public entities are authorized to use general fund dollars to accomplish this transfer. The funds to be transferred must comply with 42 CFR 433.51 and 433.54. As part of the Interagency Agreements the department shall require the public entities to attest to compliance with applicable CMS criteria. The department shall also require any private hospital and related health systems receiving payments under this Item to attest to compliance with applicable CMS criteria. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

11. The Department of Medical Assistance Services shall periodically assess the quality measures that are submitted to the Centers for Medicare and Medicaid Services for supplemental payments to ensure that appropriate quality measures are being included for supplemental payments such that the additional funding is improving the Medicaid program's quality and delivery of health care services. The department shall report on quality measures and outcomes for the programs to the Joint Subcommittee for Health and Human Resources Oversight no later than November 15, 2024.

PP.1. Effective July 1, 2017, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the formula for indirect medical education (IME) for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 as a substitute for disproportionate share hospital (DSH) payments. The formula for these hospitals for IME for inpatient hospital services provided to Medicaid patients but reimbursed by capitated managed care providers shall be identical to the formula for Type One hospitals. The IME payments shall continue to be limited such that total payments to freestanding children's hospitals with greater than 50 percent Medicaid utilization do not exceed the federal uncompensated care cost limit to which DSH payments are subject, excluding third party reimbursement for Medicaid eligible patients. The department shall have the authority to implement these changes effective July 1, 2017, and prior to completion of any regulatory action to effect such changes.

2. The Department of Medical Assistance Services (DMAS) shall have the authority to create additional hospital supplemental payments for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 to replace payments that have been reduced due to the federal regulation on the definition of uncompensated care costs effective June 2, 2017. Effective July 1, 2024, these new payments shall equal the greater of what would have been paid to the freestanding children's hospitals under the current disproportionate share hospital (DSH) formula or \$16,000,000 annually, the average DSH that CHKD was due by formula prior to Medicaid expansion without regard to the uncompensated care cost limit. These additional hospital supplemental payments shall take precedence over supplemental payments for private acute care hospitals. If the federal regulation is voided, DMAS shall continue DSH payments to the impacted hospitals and adjust the additional hospital supplemental payments authorized in this paragraph accordingly. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effectuate such change.

QQ. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to adjust the formula for indirect medical education (IME) reimbursement for managed care discharges for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 by increasing the case mix adjustment factor to the greater of 3.2962 or the most recent rebasing. Total payments for IME in combination with other payments for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 may not exceed the hospital's Medicaid costs. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

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1	Health - Partial Hospitalization, Family Functional Therapy and Multisystemic Therapy.				
2	NNNN. The Department of Medical Assistance Services shall increase the rates for mental				
3	health partial hospitalization from a per diem rate of \$250.62 to \$500.00 and shall increase				
4	the rate for mental health intensive outpatient programs from a per diem of \$159.20 to				
5	\$250.00. The department shall have the authority to implement this reimbursement change				
6	effective January 1, 2024, and prior to the completion of any regulatory process				
7	undertaken in order to effect such change.				
8	OOOO. Effective January 1, 2024, the Department of Medical Assistance Services is				
9	authorized to amend the State Plan for Medical Assistance Services to: (i) extend the age				
10	limitation for children receiving fluoride varnish from non-dental providers from "through				
11	age 3" to "through age 5"; (ii) remove the current limitation on the number of times a				
12	dentist can bill the behavioral management code when treating adults with disabilities; (iii)				
13	provide payment for crowns for patients who received root canal therapy prior to				
14	becoming a Medicaid beneficiary; and (iv) provide reimbursement for pre-treatment				
15	evaluations performed by dentists treating patients requiring deep sedation or general				
16	anesthesia to mirror the Centers for Medicare and Medicaid Services (CMS) guidelines.				
17	The department shall have the authority to implement these changes consistent with the				
18	effective date in the State Plan amendment approved by CMS and prior to the completion				
19	of any regulatory process undertaken in order to effect such change.				
20	PPPP. Effective January 1, 2024, the Department of Medical Assistance Services shall				
21	have the authority to increase the rates for agency and consumer-directed personal care,				
22	respite and companion services by five percent. The department shall have the authority to				
23	implement these changes prior to completion of any regulatory process to effect such				
24	change.				
25	QQQQ. The Department of Medical Assistance Services shall amend its regulations and				
26	guidance on weight loss drugs to require service authorization for covered weight loss				
27	drugs to ensure appropriate utilization. The department shall have authority to implement				
28	these provisions prior to the completion of any regulatory process undertaken in order to				
29	effect such change.				
30	RRRR. Effective January 1, 2024, the Department of Medical Assistance Services shall				
31	have the authority to amend the State Plan under Title XIX of the Social Security Act to				
32	provide reimbursement for the provision of behavioral health services that are classified				
33	by a Current Procedural Terminology code as collaborative care management services.				
34	SSSS. Effective for dates of service on or after July 1, 2024, the Department of Medical				
35	Assistance Services shall update the reimbursement methodology for outpatient				
36	rehabilitation services to the Resource Based Relative Value Scale. Any changes to the				
37	reimbursement methodology shall be budget neutral. To ensure and maintain budget				
38	neutrality, a budget neutrality factor shall be applied to any rate calculations.				
39	TTTT.1. Effective July 1, 2024, pursuant to the authority granted in 42 USC 1396r-8				
40	Payment for Covered Outpatient Drugs, the Department of Medical Assistance Services				
41	shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to no				
42	longer cover weight loss medication when prescribed for weight loss except: (i) in those				
43	instances where an individual has a body mass index (BMI) greater than 40; (ii) in those				
44	instances where an individual has a BMI greater than 37 and has at least one of the				
45	following weight-related comorbid conditions: hypertension; Type II Diabetes Mellitus; or				
46	Dyslipidemia; or (iii) if it is a traditional weight loss medication prescribed for weight loss				
47	as FDA approved; excluding Glucagon-like peptide-1 drugs and any other newer weight				
48	loss medications. The department shall have the authority to promulgate emergency				
49	regulations to implement this amendment within 280 days or less from the enactment of				
50	this Act. The department shall have authority to implement this amendment upon federal				
51	approval and prior to the completion of any regulatory process undertaken in order to				
52	effect such change.				
53	TTTT.2. Effective July 1, 2025, pursuant to the authority granted in 42 USC 1396r-8				
54	Payment for Covered Outpatient Drugs, the Department of Medical Assistance Services				
55	shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to cover				
56	weight loss medication when prescribed for weight loss (i) in those instances where an				

I Veto Item 288. TTTT. 1  
TTTT. 2 on pages  
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individual has a body mass index (BMI) of 35 or greater at the time at the time of being prescribed the requested weight loss drug; or (ii) in those instances where an individual has a BMI greater than 30 at the time of being prescribed the requested weight loss drug and has at least one of the following weight-related comorbid conditions: hypertension, Type II Diabetes Mellitus, or Dyslipidemia; and the individual has tried but was unsuccessful losing weight through a comprehensive lifestyle program for at least six months prior to the request for drug therapy, that included a calorie deficit of approximately 30 percent for at least six months, and an exercise goal of completing 150 minutes of exercise per week has been achieved for at least six months (or exercise requirements cannot be met due to clinical limitations); and the individual was unable to achieve at least a five percent weight reduction with calorie deficit goals, exercise goals, and behavior therapy. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act. The department shall have authority to implement this amendment upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

1 veto HCM 288.  
TTTT.1 - TTTT.2  
on pages 365-366

HL YJ  
5-2-25

UUUU. The Department of Medical Assistance Services (DMAS) shall seek federal authority through waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act to implement telehealth service delivery options under the Developmental Disability Waivers for the following services: Benefits Planning, Community Coaching, Community Engagement, Community Guide, Group Day Services, Group and Individual Supported Employment, Independent Living Supports, Individual and family/caregiver training, In-home Support Services, Peer Mentoring, Service Facilitation, Therapeutic Consultation, and Workplace Assistance services. However, DMAS authority is limited to those regulatory changes needed to define service delivery and claims processing requirements for those virtual support services currently authorized by the Appropriation Act or Code of Virginia. Moreover, any such changes shall be budget neutral and not increase costs. The department shall have the authority to amend the Developmental Disability Waivers through the Centers for Medicare and Medicaid Services and to promulgate emergency regulations to implement these changes within 280 days or less from the enactment of this Act.

VVVV. The Department of Medical Assistance Services (DMAS) shall seek federal authority through State Plan amendments under Titles XIX and XXI of the Social Security Act to expand provider qualifications such that individuals working on their required hours of supervision for certification through the Department of Behavioral Health and Developmental Services (DBHDS) to be eligible for registration through the Department of Health Professions (DHP), may be approved as Medicaid provider type for the provision of mental health and substance use disorder peer supported services. In addition, to increase access to peer recovery services, DMAS is authorized to adjust caseload limits for peer recovery specialists to align with DBHDS and DHP and revised policies to reflect the need to operate within a crisis or emergency room setting. DMAS shall ensure that any provider caseload limit increase does not have any adverse impact on quality of care or program integrity. The department shall have the authority to promulgate emergency regulations to implement these changes within 280 days or less from the enactment of this Act.

WWWW. The Department of Medical Assistance Services (DMAS) shall implement a process no later than January 1, 2025 for Federally Qualified Health Centers (FQHCs) to notify the department of any changes in the scope of services offered by a FQHC, pursuant to Section 1902(bb)(3) of 42 U.S.C. 1396a. Notifications of changes in the scope of services shall be submitted no later than October 1, 2024 for timely filing allowed by applicable federal law. Thereafter, notification must be received within 12 months of the increase or decrease in the scope of services by the FQHC. The department is authorized to reimburse FQHCs for unreimbursed costs, as allowed by the applicable federal law, prior to an initial request for a change in scope under the new process.

XXXX. Effective July 1, 2024, the Department of Medical Assistance Services shall have the authority to update the rates for consumer-directed facilitation services based on the most recent rebasing estimates as follows: Consumer Directed (CD) Management Training shall be increased to \$90.14 per hour in Northern Virginia and to \$80.91 per hour in the rest of the state; CD Initial Comprehensive Visit shall be increased to \$360.54 per visit in Northern Virginia and to \$323.64 per visit in the rest of the state; CD Routine Visit shall be increased to \$112.67 per visit in Northern Virginia and to \$101.14 per visit in the rest of the state; and CD Reassessment Visit shall be increased to \$180.27 per visit in Northern Virginia and to



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1	2. DMAS shall have the authority to seek necessary federal approval for state plan				
2	amendments and changes to the preprint to the Centers for Medicare and Medicaid Services				
3	to effectuate the provisions of paragraph QQQQQ.1.				
4	RRRRR. The Department of Medical Assistance Services shall have the authority to amend				
5	the State Plan for Medical Assistance to make supplemental payments through an adjustment				
6	to the formula for indirect medical education (IME) reimbursement, using managed care				
7	discharge days, not to exceed \$30,000,000 total computable for teaching hospitals affiliated				
8	with Virginia Tech Carilion School of Medicine. The public entity shall transfer the non-				
9	federal share of the authorized supplemental payments. The funds to be transferred must				
10	comply with 42 CFR 433.51 and 433.54. Such funds may not be paid from any private				
11	agreements with Virginia Tech Carilion School of Medicine that are in excess of fair market				
12	value or that alleviate pre-existing financial burdens of the school. The Virginia Tech				
13	Carilion School of Medicine is authorized to use general fund dollars to accomplish this				
14	transfer. The Virginia Tech Carilion School of Medicine would enter into an Interagency				
15	Agreement with the department for this purpose and must attest to compliance with applicable				
16	CMS criteria. The department shall have the authority to implement these changes prior to				
17	completion of any regulatory process undertaken in order to effect such change.				
18	SSSSS. The Department of Medical Assistance Services shall seek the appropriate waiver				
19	authority for a demonstration project to add neurobehavioral and neurorehabilitation				
20	facilities to support 20 individuals with traumatic brain injuries and neurocognitive disorders				
21	by January 1, 2026. The neurobehavioral and neurorehabilitation facilities shall be				
22	considered as a specialized institutional placement for individuals with a traumatic brain				
23	injury diagnosis. The department shall set service definitions, administrative structure,				
24	eligibility criteria, eligibility and enrollment processes, and reimbursement rates required for				
25	administration of a program for such facilities. The department shall have authority to				
26	implement these changes prior to the completion of any regulatory process undertaken in				
27	order to effect such change.				
28	TTTTT. The Department of Medical Assistance Services (DMAS) is authorized to reimburse at				
29	the applicable Indian Health Services (IHS) outpatient all-inclusive rate published annually				
30	in the Federal Register for clinic services or federally qualified health center (FQHC)				
31	services provided to Medicaid-eligible American Indians and Alaska Natives (AI/AN) by				
32	facilities operated by Tribal Health Clinics and tribal FQHCs funded by Title I or V of the				
33	Indian Self Determination and Education Assistance Act, also known as Tribal 638 facilities,				
34	provided such payments are eligible for reimbursement at a federal medical assistance				
35	percentage (FMAP) of 100 percent. Any services provided by IHS or Tribal 638 facilities that				
36	are not eligible for reimbursement at a 100 percent FMAP shall be reimbursed at standard				
37	Medicaid rates (the rates otherwise paid to non-tribal facilities for the same services) and not				
38	at the IHS outpatient all-inclusive rate. DMAS is authorized to make any necessary managed				
39	care contract changes and seek all necessary federal authority through state plan or waiver				
40	amendments submitted to the Centers for Medicare and Medicaid Services under Titles XIX				
41	and XXI of the Social Security Act to implement the provisions of this paragraph. The				
42	department shall implement this reimbursement change consistent with the effective date of				
43	the appropriate federal authority, and prior to the completion of any regulatory process. If				
44	the above rate structure is not approved by the Centers for Medicare and Medicaid Services,				
45	then DMAS shall seek approval to reimburse IHS facilities, tribal clinics and tribal FQHCs at				
46	the standard Medicaid rate for all services.				
47	UUUUU. Effective July 1, 2025, the Department of Medical Assistance services shall				
48	increase the rates by 6.5 percent for Office Based Addiction Treatment, Opioid Treatment				
49	Services, Partial Hospitalization Services, and Intensive Outpatient Services.				
50	VVVVV. Effective July 1, 2025, the department shall modify nursing facility direct care base				
51	rates by redetermining each of the regional peer group prices under the existing				
52	methodology, except by using the cost of the relevant facility with the 59th percentile day in				
53	place of the cost of the currently mandated facility with the 50th percentile day, or "day-				
54	weighted median," cost. This shall be applied using the rebasing model implemented for fiscal				
55	year 2025 rates, with resulting direct care rates adjusted for this change and inflated to fiscal				
56	year 2026 per existing policy. This methodology change shall be maintained until the next				
57	rebasing. The department shall have the authority to implement these changes upon federal				
58	approval and prior to the completion of any regulatory process.				

I veto Item 288. VVVVV  
On page 370

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5.7.25

ITEM 296.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	used to establish contracts to support the diversion and discharge into private settings of				
2	individuals with a diagnosis of dementia.				
3	3. Of the amounts in M.I., \$727,000 the first year and \$727,000 the second year shall be				
4	used for mobile crisis program targeted for individuals with a diagnosis of dementia.				
5	N. Out of this appropriation, \$1,650,000 the first year and <del>\$1,650,000</del> \$2,650,000 the				
6	second year from the general fund is provided for pilot programs for individuals with				
7	dementia or geriatric individuals who may otherwise be admitted to a state facility.				
8	O. Out of this appropriation, \$7,535,122 the first year and \$7,535,122 the second year				
9	from the general fund is provided to divert admissions from state hospitals by purchasing				
10	acute inpatient or community-based psychiatric services at private facilities. This funding				
11	shall be allocated to Community Services Boards and a Behavioral Health Authority for				
12	such purpose in an efficient and effective manner so as not to disrupt local service				
13	contracts and to allow for expeditious reallocation of unspent funding between				
14	Community Services Boards and a Behavioral Health Authority.				
15	P.I. Out of this appropriation, \$13,500,000 the first year and \$13,500,000 the second year				
16	from the general fund is provided for the Department of Behavioral Health and				
17	Developmental Services (DBHDS) to pursue alternative inpatient options to state				
18	behavioral health hospital care or to increase capacity in the community for patients on the				
19	Extraordinary Barriers List through projects that will reduce census pressures on state				
20	hospitals. Proposals shall be evaluated on: (i) the expected impact on state hospital bed				
21	use, including the impact on the extraordinary barrier list; (ii) the speed by which the				
22	project can become operational; (iii) the start-up and ongoing costs of the project; (iv) the				
23	sustainability of the project without the use of ongoing general funds; (v) the alignment				
24	between the project target population and the population currently being admitted to state				
25	hospitals; and (vi) the applicant's history of success in meeting the needs of the target				
26	population. No project shall be allocated more than \$2,500,000 each year. Projects may				
27	include public-private partnerships, to include contracts with private entities. The				
28	department shall give preference to projects that serve individuals who would otherwise				
29	be admitted to a state hospital operated by DBHDS, that can be rapidly implemented, and				
30	provide the best long-term outcomes for patients. Consideration may be given to regional				
31	projects addressing comprehensive psychiatric emergency services, complex medical and				
32	neuro-developmental needs of children and adolescents receiving inpatient behavioral				
33	health services, and addressing complex medical needs of adults receiving inpatient				
34	behavioral health services.				
35	2. Of the amounts in P.I., \$1,500,000 the first year and \$1,500,000 the second year may				
36	be utilized to pursue a pilot program to support the discharge of private hospital patients at				
37	risk of transfer to state mental health hospitals. The department shall prioritize assistance				
38	to patients who can be diverted from state hospital admission through discharge training,				
39	planning consultation, and/or one-time financial assistance. Financial assistance from this				
40	program shall only be provided as a method of last resort to assist in re-entry to the				
41	community.				
42	3. Of the amounts in P.I., \$5,000,000 the first year and \$5,000,000 the second year may				
43	be used to pursue alternative options to state behavioral health hospital care for patients				
44	designated as forensic who are admitted to, or at risk of admission to, state hospitals to				
45	reduce census pressures on state hospitals.				
46	4. Of the amounts in P.I., \$6,000,000 the first year and \$6,000,000 the second year shall				
47	be used for discharge assistance planning for individuals on the Extraordinary Barriers				
48	List to increase capacity in the community for such individuals. The department may, but				
49	is not limited to, pursue options such as placements in specialized group homes, assisted				
50	living facilities, and other models that provide support to an individual and stabilization in				
51	the community to help prevent rehospitalization.				
52	Q. The Department of Behavioral Health and Developmental Services is authorized to				
53	enter into a contract for use of up to eight beds of a 20-bed acute, inpatient psychiatric unit				
54	at Chesapeake Regional Healthcare for state purposes to increase diversion from state				
55	mental health hospitals. The department shall begin developing the contract after				
56	Chesapeake Regional Healthcare starts construction of the 20-bed acute, inpatient				

I Veto Item 296.N  
on page 393

*[Signature]*  
5-2-25



## ITEM 314.

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I. An employment services organization that had a CARF accreditation may continue to receive funding for Long-Term Employment Support Services (LTESS) and Extended Employment Services (EES) for up to six months after their accreditation expires if the organization is actively pursuing CARF reaccreditation.

J. The Employment Services Organization Steering Committee (ESOSC), as established in §51.5-169.2, Code of Virginia, shall report to and advise the Commissioner on policy, funding, and the allocation of funds to employment services organizations (ESOs) for Long Term Employment Support Services and Extended Employment Services pursuant to § 51.5-169.1, Code of Virginia, as well as all other services of which ESOs are current or proposed vendors.

K.1. A minimum of ~~\$7,680,502~~ \$7,803,293 the first year and ~~\$7,680,502~~ \$8,363,722 the second year from general fund dollars is allocated to support Centers for Independent Living.

2. The Department of Aging and Rehabilitative Services (DARS) shall collect data on the total operating budget of each Centers for Independent Living (CIL) funded in this Item, including total amount of state dollars provided to each. In addition, DARS shall have available an annual summary of how each CIL utilizes state dollars, including a position level breakdown of those classified positions funded with state dollars. DARS shall update this information by August 15 of each year with the previous year's data.

L. The Department for Aging and Rehabilitative Services shall fulfill the administrative responsibilities pertaining to the Personal Attendant Services program, without interruption or discontinuation of personal attendant services currently provided.

M. Out of this appropriation, it is estimated that \$2,462,759 the first year and \$2,462,759 the second year from the general fund shall be used for personal assistance services for individuals with disabilities.

N.1. Out of this appropriation, \$10,396,719 the first year and ~~\$10,396,719~~ \$11,746,719 the second year from the general fund shall be provided for expanding the continuum of services used to assist persons with brain injuries in returning to work and community living.

2. Of this amount, \$1,830,000 the first year and \$1,830,000 the second year from the general fund shall be used to provide a continuum of brain injury services to individuals in unserved or underserved regions of the Commonwealth. Up to \$150,000 each year shall be awarded to successful program applicants. Programs currently receiving more than \$250,000 from the general fund each year are ineligible for additional assistance under this section. To be determined eligible for a grant under this section, program applicants shall submit plans to pursue non-state resources to complement the provision of general fund support.

3. Of this amount, \$285,000 the first year and \$285,000 the second year shall be provided from the general fund to support case management services for brain injured individuals and their families in Southwestern Virginia.

4. Of this amount, \$720,000 the first year and \$720,000 the second year from the general fund shall be used to support case management services for individuals with brain injuries in unserved or underserved regions of the Commonwealth.

5. Of this amount, \$775,000 the first year and ~~\$775,000~~ \$1,375,000 the second year from the general fund shall be used for workforce retention for brain injury service providers.

6. Of this amount, \$1,875,000 the first year and \$1,875,000 the second year from the general fund shall be provided to: (i) strengthen and expand the existing state contracted safety net brain injury services system by increasing the numbers of case managers, clubhouse staff, clinical professional staff and/or program support staff and/or (ii) develop new safety net services in unserved areas of the state.

7. In allocating additional funds for brain injury services, the Department for Aging and Rehabilitative Services shall consider recommendations from the Virginia Brain Injury Council (VBIC).

1 VCto HCM, 314.N.1-  
N.8

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*[Signature]*  
5-2-25

## ITEM 314.

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8. The Department for Aging and Rehabilitative Services (DARS) shall submit an annual report, by September 1 of each year, to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees documenting the number of individuals served, services provided, and success in attracting non-state resources.

O.I. For Commonwealth Neurotrauma Initiative Trust Fund grants awarded after July 1, 2004, the commissioner shall require applicants to submit a plan to achieve self-sufficiency by the end of the grant award cycle in order to receive funding consideration.

2. Notwithstanding any other law to the contrary, the commissioner may reallocate up to \$500,000 from unexpended balances in the Commonwealth Neurotrauma Initiative Trust Fund to fund new grant awards for research on traumatic brain and spinal cord injuries.

P. Out of this appropriation, \$446,618 the first year and \$446,618 the second year from the general fund shall be allocated to the Long-Term Rehabilitation Case Management Services Program.

Q. Every county and city, either singly or in combination with another political subdivision, may establish a local disability services board to provide input to state agencies on service needs and priorities of persons with physical and sensory disabilities, to provide information and resource referral to local governments regarding the Americans with Disabilities Act, and to provide such other assistance and advice to local governments as may be requested.

315.	Individual Care Services (45500).....			\$40,439,449	\$40,439,449
				\$41,739,449	\$41,989,449
	Financial Assistance for Local Services to the Elderly (45504).....	\$32,782,787	\$32,782,787		
		\$34,082,787	\$34,332,787		
	Rights and Protection for the Elderly (45506).....	\$7,656,662	\$7,656,662		
	Fund Sources: General.....	\$20,653,634	\$20,653,634		
		\$21,953,634	\$22,203,634		
	Special.....	\$90,000	\$90,000		
	Dedicated Special Revenue.....	\$200,000	\$200,000		
	Federal Trust.....	\$19,495,815	\$19,495,815		

Authority: Title 51.5, Chapter 14, Code of Virginia.

A. Out of this appropriation, \$456,209 the first year and \$456,209 the second year from the general fund shall be provided to continue a statewide Respite Care Initiative program for the elderly and persons suffering from Alzheimer's Disease.

B.1. Out of this appropriation, \$3,785,000 the first year and \$3,785,000 the second year from the general fund shall be provided to support local and regional programs of the Virginia Public Guardian and Conservator Program. This funding is estimated to provide 757 client slots the first year and 757 client slots the second year for unrestricted guardianship services.

2. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund shall be used to provide services through the Virginia Public Guardian and Conservator Program for individuals with mental illness or intellectual disability (ID). This funding is estimated to provide 40 client slots the first year and 40 client slots the second year for guardianship services for individuals with mental illness or intellectual disabilities.

3. Out of this appropriation, \$2,270,000 the first year and \$2,270,000 the second year from the general fund shall be used to provide services through the Virginia Public Guardian and Conservator Program for individuals with intellectual disabilities (ID) and developmental disabilities (DD). This funding shall be expended pursuant to an interagency agreement between the Department of Behavioral Health and Developmental Services (DBHDS) and the Department for Aging and Rehabilitative Services. This funding is estimated to provide 454 client slots the first year and 454 client slots the second year for guardianship services for individuals with ID/DD, as authorized by DBHDS.

4. Out of this appropriation, \$686,000 the first year and \$686,000 the second year from the general fund shall be used to provide services through the Virginia Public Guardian and Conservator Program for individuals with mental illness. This funding shall be expended

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2. The source of an amount estimated at \$10,000,000 the first year and \$10,000,000 the second year to support the nongeneral fund appropriation to the Virginia Natural Resources Commitment Fund shall be the recordation tax fee established in Part 3 of this act.

3. Out of this amount, a total of thirteen percent, or \$1,300,000, whichever is greater, shall be appropriated to Virginia Soil and Water Conservation Districts for technical assistance to farmers implementing agricultural best management practices, and \$8,700,000 for Agricultural Best Management Practices Cost-Share Assistance. Of the amount deposited for Cost-Share Assistance, seventy percent shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, and thirty percent shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively outside of the Chesapeake Bay watershed.

E.1. Out of the appropriation in this Item, \$2,583,531 in the first year and \$2,583,531 in the second year from the funds designated in Item 3-1.01.C. of this act are hereby appropriated to the Virginia Water Quality Improvement Fund and designated for deposit to the reserve fund established pursuant to paragraph B of Item 358. It is the intent of the General Assembly that all interest earnings of the Water Quality Improvement Fund shall be spent only upon appropriation by the General Assembly, after the recommendation of the Secretary of Natural and Historic Resources, pursuant to § 10.1-2129, Code of Virginia.

2. Notwithstanding the provisions of §§ 10.1-2128, 10.1-2129 and 10.1-2128.1, Code of Virginia, it is the intent of the General Assembly that the department use interest earnings from the Water Quality Improvement Fund and the Virginia Natural Resources Commitment Fund to support ~~two~~ five positions to administer the Virginia Agricultural Best Management Practices Cost-Share Program and provide support to Soil and Water Conservation Districts. ~~grants from the fund.~~

F. Out of the appropriation in this Item, \$15,000 the first year and \$15,000 the second year from the general fund is provided to support the Rappahannock River Basin Commission. The funds shall be matched by the participating localities and planning district commissions.

G. Notwithstanding § 10.1-552, Code of Virginia, Soil and Water Conservation Districts are hereby authorized to recover a portion of the direct costs of services rendered to landowners within the district and to recover a portion of the cost for use of district-owned conservation equipment. Such recoveries shall not exceed the amounts expended by a district on these services and equipment.

H. Unless specified otherwise in this Item, it is the intent of the General Assembly that balances in Soil and Water Conservation be used first, and then balances from Agricultural Best Management Practices Cost Share Assistance be used for the Commonwealth's statewide match for participation in the federal Conservation Reserve Enhancement Program (CREP).

I. The Water Quality Agreement Program shall be continued in order to protect the waters of the Commonwealth through voluntary cooperation with lawn care operators across the state. The department shall encourage lawn care operators to voluntarily establish nutrient management plans and annual reporting of fertilizer application. If appropriate, then the program may be transferred to another state agency.

J.1. Out of the appropriation in this Item, \$250,000 the first year and ~~\$250,000~~ \$750,000 the second year from the general fund is provided to the department to make available competitive grants to provide Chesapeake Bay meaningful watershed educational experiences. The department may enter into two-year contracts contingent on funding being available in the second year of the biennium.

2. Out of the appropriation in this item, \$350,000 the first year and \$350,000 the second year from the general fund is provided to the Department to support two positions in the Office of Environmental Education to provide increased opportunities for education programs on environmental issues across the Commonwealth, pursuant to § 10.1-104,

*[Handwritten signature]*  
Veto Item 359.J.1-2  
On pages 445-446  
5-2-25



ITEM 359.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	Code of Virginia. The Office of Environmental Education shall develop and implement environmental education programs and the Virginia Strategic Plan for environmental literacy in collaboration with the Department of Education, the Science Museum of Virginia STEM program, and other relevant stakeholders.			
2				
3				
4				
5	K. Out of the appropriation in this Item, \$200,000 the first year and \$200,000 the second year			
6	from the general fund is provided to the department for technical assistance to support			
7	Shoreline Erosion Advisory Services as established in § 10.1-702, Code of Virginia.			
8	L. Out of the appropriation in this Item, \$1,093,352 the first year and \$1,093,352 the second			
9	year from the general fund shall be provided to the Natural Heritage Program in support of			
10	active preserve management activities across Virginia's 66 Natural Area Preserves as			
11	identified by the Board of Conservation and Recreation.			
12	M. Notwithstanding § 54.1, Chapter 4, the U.S. Department of Agriculture's Natural			
13	Resources Conservation Service and Department of Conservation and Recreation Central			
14	Office staff may provide engineering services to the Department of Conservation and			
15	Recreation and the local Soil and Water Conservation Districts for design and construction of			
16	agriculture best management practices.			
17	N.1. Out of the amounts appropriated for Dam Inventory, Evaluation, and Classification and			
18	Flood Plain Management, \$5,732,147 the first year and \$732,147 the second year from the			
19	general fund shall be deposited to the Dam Safety, Flood Prevention and Protection			
20	Assistance Fund, established pursuant § 10.1-603.17, Code of Virginia.			
21	2. Unobligated balances in the Dam Safety, Flood Prevention and Protection Assistance Fund			
22	may be utilized in an amount not to exceed \$60,000 to perform activities necessary to update			
23	the flood protection plan for the Commonwealth and to make the plan accessible online. Once			
24	these activities are complete, the department will maintain and update the plan as needed			
25	within existing resources.			
26	O. Out of the appropriation in this Item, \$400,000 the first year and \$400,000 the second year			
27	from the general fund is provided to support lynghya remediation efforts at Lake Gaston.			
28	P.1. Notwithstanding § 10.1-2129 A., Code of Virginia, \$138,076,028 the first year from the			
29	general fund shall be deposited to the Virginia Water Quality Improvement Fund established			
30	under the Water Quality Improvement Act of 1997. Of this amount in the first year,			
31	\$19,200,000 shall be appropriated to the Department for the following specified statewide			
32	uses: \$700,000 for maintenance of the Conservation Application Suite; \$2,000,000 for the			
33	Commonwealth's match for participation in the Federal Conservation Reserve Enhancement			
34	Program (CREP); \$1,000,000 for increased verification efforts of agricultural best			
35	management practices; \$6,000,000 for nonpoint source projects including direct pay			
36	initiatives for nutrient management and resource management plans as well as poultry litter			
37	transport; \$4,000,000 for the Virginia Conservation Assistance Program administered by the			
38	Association of Soil and Water Conservation Districts; \$500,000 for voluntary agricultural best			
39	management practices data collection by the Virginia Cooperative Extension; \$4,000,000 to			
40	the Department of Forestry for the Virginia Trees for Clean Water program; and \$1,000,000			
41	to the Department of Forestry for water quality grants.			
42	2. Of the remaining amount in the first year, \$118,876,028 is authorized for transfer to the			
43	Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement			
44	Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia			
45	Natural Resources Commitment Fund shall be distributed by the Department upon approval			
46	of the Virginia Soil and Water Conservation Board in accordance with the board's developed			
47	policies, as follows: \$75,979,754 shall be used for matching grants for Agricultural Best			
48	Management Practices on lands in the Commonwealth exclusively or partly within the			
49	Chesapeake Bay watershed, \$32,562,751 shall be used for matching grants for Agricultural			
50	Best Management Practices on lands in the Commonwealth exclusively outside the			
51	Chesapeake Bay watershed, and an additional \$10,333,523 in addition to the base funding			
52	provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water			
53	Conservation Districts.			
54	Q. Notwithstanding § 10.1-2129 A., Code of Virginia, included in this Item is \$63,000,000			
55	the first year from nongeneral funds that shall be transferred to the Virginia Natural Resources			

## ITEM 359.

Item Details(\$)  
First Year Second Year  
FY2025 FY2026

Appropriations(\$)  
First Year Second Year  
FY2025 FY2026

Commitment Fund, and that shall be distributed by the Department upon approval of the Virginia Soil and Water Conservation Board in accordance with the board's developed policies, as follows: \$40,266,524 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, \$17,257,082 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively outside the Chesapeake Bay watershed, and an additional \$5,476,394 in addition to the base funding provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts.

R. Out of the appropriation in this Item, ~~\$100,000,000~~ \$150,000,000 the first year from the general fund shall be deposited into the Virginia Community Flood Preparedness Fund.

S. Out of the appropriation in this Item, \$25,000,000 the first year from the general fund is provided to the City of Norfolk to support the Coastal Storm Risk Management Project. These funds shall serve as the Commonwealth's contribution to the non-federal match required by the City to begin utilizing available federal funds.

T. Notwithstanding the provisions of § 10.1-2132, Code of Virginia, the department shall allow grant funds allocated for the Virginia Cost Share Assistance Program to be committed and disbursed as cost-share funding in conjunction with the planning and construction of livestock and poultry waste facilities and prior to animals being on-site, provided that the project is otherwise eligible for funding and the applicant has a contract for animals to be placed on-site within six months of the project's completion. The department shall provide guidelines for implementation of this provision.

U. Out of the appropriation in this item, ~~\$500,000~~ \$750,000 the first year from the general fund is provided to support cyanobacteria mitigation and remediation efforts at Lake Anna.

V. Out of the appropriation in this item, \$350,000 the first year and \$350,000 the second year from the general fund is provided for the Department to establish (i) a position to expedite the training and certification of Soil and Water Conservation District employees to enable them to provide engineering, agronomic, and technical assistance for the preparation of all conservation practices in the Virginia Agricultural Cost share program; and, (ii) a position to expedite the provision of assistance to Soil and Water Conservation Districts with engineering designs for structural practices.

W. Out of the appropriation in this item, \$136,000 the first year and \$136,000 the second year from the general fund is provided to the Department to support an additional position in the Division of Soil and Water Conservation for the purpose of nutrient management planning.

*X.1. Notwithstanding § 10.1-2129 A., Code of Virginia, \$26,296,400 the first year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Of this amount in the first year, \$8,905,800 is designated for deposit to the reserve within the Virginia Water Quality Improvement Fund.*

*2. Of the remaining amount in the first year, \$17,390,600 is authorized for transfer to the Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia Natural Resources Commitment Fund shall be distributed by the department upon approval of the Virginia Soil and Water Conservation Board in accordance with the board's developed policies to support Agriculture Best Management Practices needs in the next biennium.*

*3. The appropriation in this paragraph and in Item 365 of this act meets the mandatory deposit requirements associated with the fiscal year 2024 excess general fund revenue collections and discretionary year-end general fund balances.*

Y. Out of the appropriation in this Item, \$1,000,000 the first year from the general fund is provided to the Town of Dumfries for Quantico Creek restoration and flood mitigation.

Z. Out of the appropriation in this item, \$500,000 the first year from the general fund shall

I veto Item 359.R  
on page 447

*HL 2/1*  
*5.2.25*

I veto Item 359.Y  
on page 447

*HL 2/1*  
*5.2.25*

ITEM 360.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	State Parks.				
2	J. The department is hereby authorized to enter into an agreement with the United States				
3	Forest Service that owns the Longdale Day Use Area to operate the facility as the Green				
4	Pastures Unit of Douthat State Park, an extension of Douthat State Park.				
5	K. Included in the amounts for this Item, \$167,776 the first year and \$167,776 the second year				
6	from the general fund to hire chief ranger and park ranger positions at Powhatan State Park.				
7	L. Included in the amounts for this Item is \$613,253 the first year and \$613,253 the second				
8	year from the general fund for startup and operational costs at Sweet Run State Park.				
9	M. Out of the appropriation in this Item, \$150,000 from the general fund the first year is				
10	provided for the department to conduct a study of the potential acquisition and development				
11	of Oak Hill, the former home of James Monroe, the fifth President of the United States, as a				
12	state park. The study shall (i) assess the challenges in acquiring and developing the property,				
13	(ii) identify upfront costs and ongoing and future obligations of the Commonwealth, (iii)				
14	assess the involvement and contribution of Loudoun County, where the property is located,				
15	and (iv) assess potential philanthropic contributions and/or other funding resources to support				
16	the project.				
17	N. Out of the amounts appropriated in this item, \$250,000 the first year and \$250,000 the				
18	second year from the general fund is provided to the Department to support two additional				
19	staff positions and related expenses for invasive species management.				
20	O. Out of the appropriation in this item, \$265,350 the first year and \$139,050 the second year				
21	from nongeneral funds is provided to establish an all-terrain power wheelchair pilot program				
22	consistent with the provisions of House Bill 1186 of the 2024 Session of the General				
23	Assembly.				
24	P. Out of the appropriation in this item, \$350,000 the second year from the general fund is				
25	provided for the Department to develop the Falkland State Conservation Area Master Plan				
26	and a Restoration Assessment for the Syndor House Lodge.				
27	Q. Out of the appropriation in this item, \$1,300,000 the first year from the general fund is				
28	provided to Albemarle County for the design and construction of an Americans with				
29	Disabilities Act (ADA) accessible walking trail to connect Biscuit Run Park to the future				
30	Monacan Indian Nation Tribute Park.				
31	361. Administrative and Support Services (59900).....			\$13,004,072	\$13,004,072
32					\$12,947,072
33	General Management and Direction (59901).....	\$13,004,072	<del>\$13,004,072</del>		
34			\$12,947,072		
35	Fund Sources: General.....	\$12,789,072	<del>\$12,789,072</del>		
36			\$12,732,072		
37	Special.....	\$215,000	\$215,000		
38	Authority: Title 2.2, Chapters 37, 40, 41, 43; and Title 10.1, Chapter 1, Code of Virginia.				
39	Total for Department of Conservation and				
40	Recreation.....			\$588,904,775	\$254,610,402
41				\$668,251,175	\$257,371,553
42	General Fund Positions.....	512.50	<del>512.50</del>		
43			514.50		
44	Nongeneral Fund Positions.....	53.50	<del>53.50</del>		
45			57.50		
46	Position Level.....	566.00	<del>566.00</del>		
47			572.00		
48	Fund Sources: General.....	<del>\$377,268,801</del>	<del>\$106,220,728</del>		
49		\$456,615,201	\$107,947,574		
50	Special.....	\$36,235,690	<del>\$36,109,390</del>		
51			\$36,325,761		
52	Trust and Agency.....	\$63,000,000	\$0		

I veto Item 360.Q  
on page 450

*[Signature]*  
5-2-25



## ITEM 363.

Item Details(\$)  
First Year Second Year  
FY2025 FY2026

Appropriations(\$)  
First Year Second Year  
FY2025 FY2026

J.I. Out of the amounts appropriated for this Item, \$1,100,000 the first year and \$1,100,000 the second year from the general fund is to be deposited in the Virginia Stormwater Management Fund.

2. Notwithstanding § 62.1-44.15:28, as it is currently effective and as it shall become effective, Code of Virginia, the permit fee regulations adopted by the State Water Control Board pursuant to § 62.1-44.15:28, as it is currently effective and as it shall become effective, Code of Virginia, for the Virginia Pollutant Discharge Elimination System Permit for Discharges of Stormwater from Construction Activities and municipal separate storm sewer system permits shall be set at an amount representing no less than 60 percent, not to exceed 62 percent, of the direct costs for the administration, compliance and enforcement of Virginia Pollutant Discharge Elimination System Permit for Discharges of Stormwater from Construction Activities and municipal separate storm sewer system permits. To the extent practicable, the Board shall solicit input from affected stakeholders when establishing the new fee structure.

3. Notwithstanding § 62.1-44.19:20, Code of Virginia, the application fee schedule adopted by the State Water Control Board pursuant to § 62.1-44.19:20, Code of Virginia, shall be set at an amount representing no less than 60 percent, not to exceed 62 percent, of the direct costs for the administration, compliance and enforcement of the nutrient credit certification program. To the extent practicable, the Board shall solicit input from affected stakeholders when establishing the new fee structure.

K. The Director of the Department of Environmental Quality shall convene a working group for the purpose of developing an annual or project-based fee schedule for the review of erosion and sediment control plans related to solar energy project applications. The working group shall include representatives of (i) private sector companies that own or operate solar energy facilities, (ii) local governments that permit solar facilities, and (iii) other stakeholders determined by the Department to be necessary to the development of the fee schedule.


L. Out of the amounts in this item, \$750,000 the first year and \$750,000 the second year to establish a mitigation trading platform and wetland in-lieu fee mitigation program consistent with the provisions of § 62.1-44.15:23.1, Code of Virginia.

M. Out of the amounts in this item, \$150,000 the first year from the general fund is provided for the department, in collaboration with Virginia Polytechnic and State University and the Smith Mountain Lake Association, to conduct a study of the harmful algal blooms occurring at Smith Mountain Lake. The research shall include evaluation of conditions that have led to the appearance of harmful algal blooms and include recommendations for prevention of further occurrences.

N. Out of the amounts in this item, \$500,000 the first year from the general fund is provided to support United States Geological Survey monitoring of harmful algal blooms in the Shenandoah River. Any funds remaining at the end of the fiscal year shall carryforward for the same purpose.

O. Out of the amounts in this item, \$250,000 the first year from the general fund is provided for the department, in coordination with the Division of Consolidated Laboratory Services, to provide testing of inland waterways in the Commonwealth for the presence of harmful algal blooms, which may include enumeration of cyanobacteria and associated toxicity analyses. Any funds in this paragraph remaining at the end of the fiscal year shall be carried forward and reappropriated for the same purpose.

P. Out of the amounts in this item, \$2,300,000 the first year from the general fund is provided for groundwater research in the Eastern Groundwater Management Area. The appropriation shall be distributed as follows: \$2,000,000 for the department to install five additional multi-well research stations to gather additional data to study the upper portions of the Eastern Groundwater Management Area; and \$300,000 for the department to conduct a study, in coordination with Virginia Polytechnic Institute and State University, to determine technically feasible locations within the Eastern Groundwater Management Area to recommend water treatment upgrades for Virginia municipal water systems modeled on the Hampton Roads Sanitation District SWIFT project and the cost of

I veto Item 363.P  
On pages 453-454  
  
5-2-25

ITEM 363.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	<i>such upgrades. The analysis shall be provided to the Chairs of the State Water Commission, House Committee on Agriculture, Chesapeake, and Natural Resources, and Senate Committee on Agriculture, Conservation, and Natural Resources by July 1, 2026. Any funding remaining on June 30 shall be carried forward and reappropriated into the next fiscal year for the purposes described in this paragraph.</i>				
2					
3					
4					
5					
6	364.	Air Protection (51300).....		\$30,529,452	\$30,529,452
7					\$30,466,174
8		Air Protection Permitting (51325).....	\$7,351,909	\$7,351,909	
9		Air Protection Compliance and Enforcement (51326).....			
10			\$6,936,336	\$6,936,336	
11		Air Protection Outreach (51327).....	\$1,212,881	<del>\$1,212,881</del>	
12				\$1,149,831	
13		Air Protection Planning and Policy (51328).....	\$9,451,557	<del>\$9,451,557</del>	
14				\$9,451,329	
15		Air Protection Monitoring and Assessment (51329)....	\$5,576,769	\$5,576,769	
16		Fund Sources: General.....	\$3,965,134	\$3,965,134	
17		Special.....	\$5,582,536	\$5,582,536	
18		Enterprise.....	\$10,996,784	\$10,996,784	
19		Dedicated Special Revenue.....	\$5,643,700	<del>\$5,643,700</del>	
20				\$5,580,422	
21		Federal Trust.....	\$4,341,298	\$4,341,298	
22	Authority: Title 10.1, Chapters 11.1 and 13; and Title 46.2, Chapter 10, Code of Virginia.				
23	A. The Department of Environmental Quality is authorized to use up to \$300,000 the first				
24	year and \$300,000 the second year from the Vehicle Emissions Inspection Program Fund to				
25	implement the provisions of Chapter 710, Acts of Assembly of 2002, which authorizes the				
26	department to operate a program to subsidize repairs of vehicles that fail to meet emissions				
27	standards established by the Air Pollution Control Board when the owner of the vehicle is				
28	financially unable to have the vehicle repaired.				
29	B.1. All of the permit program emissions fees collected by the State Air Pollution Control				
30	Board pursuant to § 10.1-1322, Code of Virginia, shall be assessed and collected on an annual				
31	basis notwithstanding the provisions of that section. The State Air Pollution Control Board				
32	shall adopt regulations adjusting permit program emissions fees collected pursuant to § 10.1-				
33	1322, Code of Virginia, and establish permit application processing fees and permit				
34	maintenance fees sufficient to ensure that the revenues collected from fees cover the total				
35	direct and indirect costs of the program consistent with the requirements of Title V of the				
36	Clean Air Act, except that the initial adjustment to permit program emissions fees shall not be				
37	increased by more than 30 percent over current rates. Notwithstanding the provisions of §				
38	10.1-1322, Code of Virginia, the permit application fees collected pursuant to this paragraph				
39	shall not be credited towards the amount of annual fees owed pursuant to § 10.1-1322, Code				
40	of Virginia. All of the fees adopted pursuant to this section shall be adjusted annually by the				
41	Consumer Price Index.				
42	2. The State Air Pollution Control Board shall adopt regulations to prohibit the sale, lease,				
43	rent, installation or entry into commerce in Virginia of any products or equipment that use or				
44	will use hydrofluorocarbons for the applications and end uses restricted by Appendix U and				
45	Appendix V of Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017.				
46	Notwithstanding the foregoing, such regulations shall not prohibit the use of				
47	hydrofluorocarbons in the manufacturing process by extruded polystyrene boardstock and				
48	billet manufacturers located in Virginia to produce products for sale and distribution outside				
49	of the Commonwealth, until the Board has solicited input from such manufacturers in order to				
50	determine and set by regulation a feasible date by which such manufacturers must be required				
51	to comply. In developing regulations, the Board shall solicit input from a workgroup of				
52	relevant stakeholders assembled by the Department.				
53	3. The regulations adopted by the State Air Pollution Control Board to initially implement the				
54	provisions of this item shall be exempt from Chapter 40 of Title 2.2, Code of Virginia, and				
55	shall become effective no later than July 1, 2021. Thereafter, any amendments to the fee				
56	schedule described by these acts shall not be exempted from Chapter 40 of Title 2.2, Code of				
57	Virginia.				



## ITEM 394.

Item Details(\$)	
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First Year FY2025	Second Year FY2026

1 evaluate programs, services and facilities established pursuant to the Comprehensive  
2 Community Corrections Act for Local-Responsible Offenders (§§ 9.1-173 through 9.1-183  
3 Code of Virginia) and the Pretrial Services Act (§§ 19.2-152.2 through 19.2-152.7, Code of  
4 Virginia). Out of these amounts, the Director, Department of Criminal Justice Services, is  
5 authorized to expend no more than five percent per year for state administration of these  
6 programs.

7 2. The Department of Criminal Justice Services, in conjunction with the Office of the  
8 Executive Secretary of the Supreme Court and the Virginia Criminal Sentencing Commission,  
9 shall conduct information and training sessions for judges and other judicial officials on the  
10 programs, services and facilities available through the Pretrial Services Act and the  
11 Comprehensive Community Corrections Act for Local-Responsible Offenders.

12 3. Out of this appropriation, \$94,750 the first year and \$94,750 the second year from the  
13 general fund is provided for the expansion of pretrial services to the Counties of Botetourt and  
14 Alleghany.

15 D.1. Out of this appropriation, \$225,000 the first year and \$225,000 the second year from the  
16 general fund is provided for Comprehensive Community Corrections and Pretrial Services  
17 Programs for localities that belong to the Central Virginia Regional Jail Authority. These  
18 amounts are seventy-five percent of the costs projected in the community-based corrections  
19 plans submitted by the Authority. The localities shall provide the remaining twenty-five  
20 percent as a condition of receiving these funds.

21 2. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the  
22 general fund is provided for Comprehensive Community Corrections and Pretrial Services  
23 Programs for localities that belong to the Southwest Virginia Regional Jail Authority. These  
24 amounts are seventy-five percent of the costs projected in the community-based corrections  
25 plans submitted by the Authority. The localities shall provide the remaining twenty-five  
26 percent as a condition of receiving these funds.

27 E. In the event the federal government should make available additional funds pursuant to the  
28 Violence Against Women Act, the department shall set aside 33 percent of such funds for  
29 competitive grants to programs providing services to domestic violence and sexual assault  
30 victims.

31 F.1. Out of this appropriation, \$23,116,049 the first year and \$20,362,525 the second year  
32 from the general fund and \$1,710,000 the first year and \$1,710,000 the second year from such  
33 federal funds as are available shall be deposited to the School Resource Officer Incentive  
34 Grants Fund established pursuant to § 9.1-110, Code of Virginia.

35 2.a. The Director, Department of Criminal Justice Services, is authorized to expend \$410,877  
36 the first year and \$410,877 the second year from the School Resource Officer Incentive  
37 Grants Fund to operate the Virginia Center for School Safety, pursuant to § 9.1-110, Code of  
38 Virginia.

39 b. The Center for School Safety shall provide a grant of \$100,000 in the first year and  
40 ~~\$100,000~~ \$130,000 in the second year to the York County-Poquoson Sheriff's Office for the  
41 statewide administration of the Drug Abuse Resistance Education (DARE) program.

42 c. The Director, Department of Criminal Justice Services, is authorized to establish a digital  
43 mapping program for Virginia public universities and community colleges, in addition to the  
44 existing digital mapping program for local school divisions, which may provide grants to  
45 public universities, two-year colleges, and community colleges to support technology that  
46 provides visual communication and collaboration tools to coordinate emergency response,  
47 such as floor plans that are available on cell phones and enhanced communication during an  
48 emergency. *Out of nongeneral fund cash balances in the School Resource Officer Incentive*  
49 *Grants Fund, up to \$6,200,000 the second year, dependent on grant applications, is*  
50 *designated for this purpose.*

51 3. Subject to the development of criteria for the distribution of grants from the fund, including  
52 procedures for the application process and the determination of the actual amount of any grant  
53 issued by the department, the department shall award grants to either local law-enforcement  
54 agencies, where such local law-enforcement agencies and local school boards have

1 Veto Item 394.F on pages 482-483  
2/11 7/12 E-1-95

## ITEM 394.

Item Details(\$)	
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2. The funding provided to each pilot site shall supplement, not supplant, existing local spending on these services. Distribution of grant amounts shall be made quarterly pursuant to the conditions of paragraph J.3. of this item.

3. The Department shall collect on a quarterly basis qualitative and quantitative data of pilot site performance, to include: (i) mental health screenings and assessments provided to inmates, (ii) mental health treatment plans and services provided to inmates, (iii) jail safety incidents involving inmates and jail staff, (iv) the provision of appropriate services after release, (v) the number of inmates re-arrested or re-incarcerated within 90 days after release following a positive identification for mental health disorders in jail or the receipt of mental health treatment within the facility. The Department shall provide a report on its findings to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 15th each year.

4. The department is authorized to expend up to \$125,000 per year out of the amounts allocated in Paragraph J.1. of this item for costs related to the administration of the jail mental health pilot program.

K. Included in the appropriations for this item is \$300,000 the first year and \$300,000 the second year from the general fund for the Department of Criminal Justice Services to make competitive grants to nonprofit organizations to support services for law enforcement including post critical incident seminars and peer-supported critical incident stress management programs to promote officer safety and wellness, under guidelines to be established by the Department.

L. Included in the appropriation for this item is \$916,066 in the first year and \$916,066 in the second year from the general fund for the Virginia Beach Correctional Center for the Jail and Re-entry Service Coordination Pathway, which is a joint operation between the Virginia Beach Department of Human Services and the Virginia Beach Sheriff's Office. The program consists of diversion, screening, assessment, treatment, and re-entry services for all incarcerated individuals with an active mental illness or substance use disorder diagnosis.

M. Included in the appropriation for this item, \$193,658 the first year and \$193,658 the second year from the general fund and four positions to support evidence-based gun violence intervention and prevention services.

N.1.a. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Firearm Violence Intervention and Prevention Fund (the Fund). The Fund shall be established on the books of the Comptroller. All moneys accruing to the Fund, including funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf, shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used for the purpose of supporting gun violence intervention and prevention programs. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the Department.

b. The Firearm Violence Intervention and Prevention Fund shall be administered by the Department, and the Department shall adopt guidelines and make funds available to agencies of local government, community-based organizations, and hospitals for the purpose of supporting implementation of evidence-informed gun violence intervention and prevention efforts, including street outreach, hospital-based violence intervention, and other violence intervention programs. Grant funds shall also support firearm suicide prevention and safe firearm removal practices from persons prohibited from possessing a firearm, including subjects of domestic violence protective orders, persons convicted of prohibitory crimes, and persons subject to substantial risk orders. The Department shall establish a grant procedure to govern funds awarded for this purpose.

c. Out of the amounts appropriated for this item, ~~\$9,000,000~~ \$9,350,000 the first year and ~~\$9,000,000~~ \$9,500,000 the second year from the general fund shall be deposited into the Firearm Violence Intervention and Prevention Fund. At least \$1,500,000 each year shall be

1 Veto Item 394. N on pages 484-486

5-2-25

ITEM 394.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	established a collaborative agreement for the employment of school resource officers, as				
2	such positions are defined in § 9.1-101, Code of Virginia, for the employment of school				
3	resource officers, or to local school divisions for the employment of school security				
4	officers, as such positions are defined in § 9.1-101, Code of Virginia, for the employment				
5	of school security officers in any public school. The application process shall provide for				
6	the selection of either school resource officers, school security officers, or both by				
7	localities. The department shall give priority to localities requesting school resource				
8	officers, school security officers, or both where no such personnel are currently in place.				
9	Localities shall match these funds based on the composite index of local ability-to-				
10	pay. <i>Out of nongeneral fund cash balances in the School Resource Officer Incentive</i>				
11	<i>Grants Fund, up to \$1.5 million the second year, dependent on grant applications, shall</i>				
12	<i>be available for fifth- and sixth-year continuation grants, in addition to any funding</i>				
13	<i>previously provided for such purpose.</i>				
14	4. Included in this appropriation is \$202,300 the first year and \$202,300 the second year				
15	from the general fund for the implementation of a model critical incident response training				
16	program for public school personnel and others providing services to public schools, and				
17	the maintenance of a model policy for the establishment of threat assessment teams for				
18	each public school, including procedures for the assessment of and intervention with				
19	students whose behavior poses a threat to the safety of public school staff or other				
20	students.				
21	5. Included in the amounts appropriated for this item is \$132,254 the first year and				
22	\$132,254 the second year from the general fund for the purposes of collection and analysis				
23	of data related to school resource officers, pursuant to House Bill 271 of the 2020 Session				
24	of the General Assembly.				
25	G. Included in the amounts appropriated in this item is \$4,568,114 the first year and				
26	<del>\$8,068,114</del> \$10,068,114 the second year from the general fund for grants to local sexual				
27	assault crisis centers (SACCs) and domestic violence programs to provide core and				
28	comprehensive services to victims of sexual and domestic violence, including ensuring				
29	such services are available and accessible to victims of sexual assault and dating violence				
30	committed against college students on- and off-campus.				
31	H.1. Out of the amounts appropriated for this item, \$1,646,547 the first year and				
32	\$1,646,547 the second year from the general fund and \$2,658,420 the first year and				
33	\$2,658,420 the second year from nongeneral funds is provided, to be distributed as				
34	follows: for the Southern Virginia Internet Crimes Against Children Task Force,				
35	\$3,096,547 the first year and \$3,096,547 the second year; and, for the creation of a grant				
36	program to law enforcement agencies for the prevention of internet crimes against				
37	children, \$1,208,420 the first year and \$1,208,420 the second year.				
38	2. The Southern Virginia and Northern Virginia Internet Crimes Against Children Task				
39	Forces shall each provide an annual report, in a format specified by the Department of				
40	Criminal Justice Services, on their actual expenditures and performance results. Copies of				
41	these reports shall be provided to the Secretary of Public Safety and Homeland Security,				
42	the Chairs of the Senate Finance and Appropriations and House Appropriations				
43	Committees, and Director, Department of Planning and Budget prior to the distribution of				
44	these funds each year.				
45	3. Subject to compliance with the reports and distribution thereof as required in paragraph				
46	2 above, the Governor shall allocate all additional funding, not to exceed actual				
47	collections, for the prevention of Internet Crimes Against Children, pursuant to § 17.1-				
48	275.12, Code of Virginia.				
49	I. Out of the amounts appropriated for this item, \$50,000 the first year and \$50,000 the				
50	second year from the general fund is provided for training to local law enforcement to aid				
51	in their identifying and interacting with individuals suffering from Alzheimer's and/or				
52	dementia.				
53	J.1. Included in the appropriation for this item is \$2,000,000 the first year and \$2,000,000				
54	the second year from the general fund to continue the pilot programs authorized in Item				
55	398, Chapter 836, 2017 Acts of Assembly. The number of pilot sites shall not be expanded				
56	beyond those participating in the pilot program the first year.				



ITEM 394.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	provided to localities with disproportionate firearm-related homicides to support crime				
2	intervention and prevention through community engagement, including youth programs,				
3	to include (i) at least \$500,000 the first year for the City of Portsmouth; (ii) <del>and</del> at least				
4	\$1,000,000 the first year for the City of Norfolk; (iii) <i>\$350,000 the first year to the City of</i>				
5	<i>Newport News to support the VICTOR Program; and (iv) \$2,000,000 the second year for</i>				
6	<i>the City of Chesapeake, including up to \$250,000 for allowable equipment associated with</i>				
7	<i>a Real Time Crime Information Center. Amounts for both VICTOR and the City of</i>				
8	<i>Chesapeake are designated as one-time.</i>				
9	2.a. There is hereby created in the state treasury a special nonreverting fund to be known				
10	as the Operation Ceasefire Grant Fund (the Fund) and managed by the Department. The				
11	Fund shall be established on the books of the Comptroller. All moneys appropriated by the				
12	General Assembly for the Fund, and from any other sources, public or private, shall be				
13	paid into the state treasury and be credited to the Fund. Interest earned on moneys in the				
14	Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,				
15	including interest thereon, at the end of each fiscal year shall not revert to the general fund				
16	but shall remain in the Fund. Expenditures and disbursements from the Fund shall be				
17	made by the State Treasurer on warrants issued by the Comptroller upon written request of				
18	the Director of the Department.				
19	b. Moneys in the Fund shall be used solely for the purposes of implementing violent crime				
20	reduction strategies, providing training for law-enforcement officers and prosecutors,				
21	providing forensic and related analytical equipment for law-enforcement agencies, and				
22	awarding grants to organizations such as local law-enforcement agencies, local attorneys				
23	for the Commonwealth, localities, social services providers, and nonprofit organizations				
24	that are engaged in group violence intervention efforts. No grants awarded shall be given				
25	to state agencies or offices. For the purposes of subsection N.2. of this item, "group				
26	violence intervention" means comprehensive law enforcement, prosecutorial, and				
27	community-based initiatives, substantially similar to Operation Ceasefire as implemented				
28	in Boston, Massachusetts and the Gang Reduction Programs implemented in Richmond				
29	and Los Angeles, California, which are documented by the Department of Justice and are				
30	carried out between members of law enforcement, members of the community, and social				
31	services providers. The Department shall establish an application process for awarding				
32	grants from the Fund, including criteria and procedures for determining the amount of a				
33	grant. Out of the amounts appropriated for this item, \$10,000,000 the first year and				
34	\$10,000,000 the second year from the general fund shall be deposited into the Operation				
35	Ceasefire Grant Fund.				
36	3. Out of the amounts in section N of this item, the Director, Department of Criminal				
37	Justice Services, is authorized to expend no more than three percent per year for state				
38	administration of these programs.				
39	4.a. Out of the amounts appropriated for this item, <del>\$14,000,000</del> the first year and				
40	<del>\$14,000,000</del> <i>\$19,000,000</i> the second year from the general fund is provided for the Safer				
41	Communities Program to support holistic, community-based strategies that address the				
42	root causes and conditions of community violence. Such strategies shall be evidence-				
43	informed and/or community-driven and shall include: (i) afterschool programs and				
44	mentorships; (ii) connections to education and economic opportunities; (iii) trauma-				
45	informed mental health care; (iv) credible messengers and violence interrupters; and (v)				
46	strategies to build trust between law enforcement agencies and community stakeholders.				
47	Out of this amount; (i) at least \$13,000,000 the first year and at least \$13,000,000 the				
48	second year shall be provided to the City of Norfolk, the City of Portsmouth, the City of				
49	Roanoke, and the City of Richmond, with a minimum award of \$2,500,000 per locality				
50	and the remainder allocated to each of the four localities based on population; and (ii)				
51	<i>\$5,000,000 the second year shall be provided to the City of Hampton and the City of</i>				
52	<i>Newport News, with a minimum award of \$2,500,000 per locality.</i> Recipient localities				
53	shall (i) use grant funds to employ a full-time position dedicated to planning,				
54	implementation, and coordination of community violence reduction strategies, including				
55	utilizing existing violence reduction grants and pursuing additional grant opportunities,				
56	and (ii) provide quarterly reports to the Department detailing expenditures to date to				
57	ensure alignment with the requirements established in this paragraph. <i>For the fiscal year</i>				
58	<i>2026 grant awards, recipient localities: (i) shall not use funding for school resource or</i>				
59	<i>school safety officers; and (ii) shall prioritize support for community-led solutions.</i>				

## ITEM 394.

Item Details(\$)	
First Year	Second Year
FY2025	FY2026

Appropriations(\$)	
First Year	Second Year
FY2025	FY2026

b. There is hereby established the Office of Safer Communities ("the Office") in the Department. The Office shall serve as a resource for research, evidence, and best practices for community-based violence intervention, including: (i) providing consultation to the Board of Criminal Justice Services as it administers the Firearm Violence Intervention and Prevention Grant Fund and the Operation Ceasefire Grant Fund; (ii) liaising with Safer Communities Program recipient localities to ensure collection of the expenditure reports required by the preceding paragraph; (iii) conducting outreach to current and potential recipients of violence intervention and prevention grants; and (iv) summarizing violence reduction grantees' use of funds, including any available outcome measures, noting alignment with national promising practices.

c. The Office shall provide quarterly updates to the Virginia Crime Commission and submit an annual report by November 1 of each year to the Chairs of the Virginia Crime Commission, House Courts of Justice Committee, Senate Judiciary Committee, House Appropriations Committee, and Senate Finance and Appropriations Committee. The updates and annual reports shall summarize the efforts of the Office, to include information collected pursuant to provision (iv) of the preceding paragraph and the findings of the Office's research on best practices.

d. Out of the amounts in subsection N.4.a of this item, \$925,000 the first year and \$900,000 the second year is provided to support the Office, to include positions and support services for research, outreach, and reporting. The Office shall employ at least one position focused on coordination and outreach and at least one position focused on research and evidence. In addition, existing administrative funding and positions authorized under paragraphs M. and N. of this item shall support the Office. Of these amounts designated to support the Office, at least \$425,000 the first year and at least \$400,000 the second year shall be used for a contract with the Virginia Commonwealth University L. Douglas Wilder School of Government and Public Affairs (the School) for the School to collaborate with local entities who have received grant funding appropriated pursuant to subsection N. of this item, including local law enforcement agencies, to provide strategic planning, program evaluation, and data-driven innovations to improve the public sector's response to community violence. The School may collaborate with faculty and students from Virginia State University and Norfolk State University as needed.

e. Grant funding provided pursuant to this subsection N. of this item that is used for law-enforcement equipment may solely be used for forensic and analytical purposes, in addition to other requirements set forth in this subsection N.

O.I. Out of the appropriation in this item, \$3,500,000 the first year and \$1,500,000 the second year from the general fund is allocated for the Department of Criminal Justice Services to make competitive grants to combat hate crimes, including but not limited to target hardening activities, contractual security services, critical technology infrastructure, cybersecurity resilience activities, monitoring, inspection and screening systems; security-related training for employed or volunteer security staff; and terrorism awareness training for employees. Eligible grant applicants include institutions or nonprofit organizations that have been targets of or are at risk of being targeted for hate crimes, as well as localities engaged in partnership programs with such institutions or nonprofit organizations. The Department shall establish grant guidelines to implement these provisions and shall provide a biennial or annual request for funding, based on the guidelines. For each grant requested, the application shall document the need for the grant, goals, and budget expenditure of these funds and any other sources that may be committed by institutions or nonprofit organizations to combat hate crimes. Funding provided in this item shall be awarded to the applicable locality to distribute to the grant recipient and shall not be used to supplant any other funding provided by localities to combat hate crimes.

2. The Department shall disseminate information about the opportunity to stakeholders in order to ensure awareness of the grant process and timeline for application among interested institutions and nonprofit organizations. The Department may use up to \$50,000 out of the appropriation in this item for the dissemination of such information.

P. Included in the appropriation for this item is \$400,000 the first year and \$400,000 the second year from the general fund to support the Virginia Victim Assistance Network.



## ITEM 433.

Item Details(\$)		Appropriations(\$)	
First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026

F.1. Out of the amounts included in this item, ~~\$60,200,000~~ *\$136,900,000* the first year and ~~\$84,500,000~~ the second year from the general fund are provided for additional operating assistance for the Washington Metropolitan Area Transit Authority. The provisions of Virginia Code § 33.2-1526.1 (K) are temporarily suspended for fiscal years 2025 and 2026. This section of Code shall resume in fiscal year 2027. This Code change provides a two-year suspension of the requirement that limits the annual Virginia operating assistance for the Washington Metropolitan Area Transit Authority to no more than three percent over the prior year's approved budget.

2. The Washington Metropolitan Area Transit Authority shall complete a comparison of its total costs and overhead costs, defined as general administration and non-vehicle maintenance costs, against the cost of similar transit systems providing service in the cities of Boston, MA; Chicago, IL; New York, NY; Philadelphia, PA; San Francisco, CA; and Washington, DC, and submit this comparison to the Joint Subcommittee on Northern Virginia Public Transit.

G. Notwithstanding § 33.2-1915, Code of Virginia, the Potomac and Rappahannock Transportation District Commission may enter into contracts or agreements with the counties, cities or towns, or planning districts that are within an adjacent planning district to provide commuter transit service between such counties, cities or towns, and Washington D.C. in the I-66 and US 29 corridors.

*H. Out of this appropriation, \$200,000 the first year from the general fund shall be provided to Hampton Roads Transit for a one-time transit investment.*

*I veto item 433.H.  
on Page 513.*

*HL 2/1  
5-2-25*

434. Not set out.

435. Not set out.

Total for Department of Rail and Public Transportation.....

*\$1,023,348,276 \$1,059,772,629  
\$1,100,248,276 \$975,272,629*

Nongeneral Fund Positions..... 72.00 72.00

Position Level..... 72.00 72.00

Fund Sources: General..... ~~\$60,200,000~~ *\$137,100,000* ~~\$84,500,000~~ *\$0*

Special..... \$2,139,844 \$2,139,844

Commonwealth Transportation..... \$801,608,432 \$813,732,785

Dedicated Special Revenue..... \$159,400,000 \$159,400,000

#### § 1-94. DEPARTMENT OF TRANSPORTATION (501)

436. Environmental Monitoring and Evaluation (51400).

*\$33,403,529 \$20,826,730  
\$21,336,888 \$34,001,781*

Environmental Monitoring and Compliance for Highway Projects (51408)..... ~~\$11,995,970~~ *\$12,467,830* ~~\$12,220,422~~ *\$20,850,096*

Environmental Monitoring Program Management and Direction (51409)..... ~~\$4,335,845~~ *\$4,606,181* ~~\$4,444,024~~ *\$4,762,749*

Municipal Separate Storm Sewer System (MS4) Compliance Activities (51410)..... ~~\$17,071,714~~ *\$4,262,877* ~~\$4,162,284~~ *\$8,388,936*

Fund Sources: Commonwealth Transportation..... ~~\$33,403,529~~ *\$21,336,888* ~~\$20,826,730~~ *\$34,001,781*

437. Ground Transportation Planning and Research (60200).....

*\$152,939,813 \$114,126,286  
\$153,528,798 \$112,587,022*

Ground Transportation System Planning (60201)..... ~~\$133,053,472~~ *\$132,917,645* ~~\$93,818,012~~ *\$91,394,702*

## ITEM 437.

Item Details(\$)  
First Year      Second Year  
FY2025      FY2026

Appropriations(\$)  
First Year      Second Year  
FY2025      FY2026

1	Ground Transportation System Research (60202).....	\$15,083,335	\$15,390,991
2		\$15,549,795	\$15,965,452
3	Ground Transportation Program Management and		
4	Direction (60204).....	\$4,803,006	\$4,917,283
5		\$5,061,358	\$5,226,868
6	Fund Sources: <i>General</i> .....	\$250,000	\$0
7	Commonwealth Transportation.....	\$152,939,813	\$114,126,286
8		\$153,278,798	\$112,587,022

9 Authority: Title 33.2, Code of Virginia.

10 A. Included in the amount for ground transportation system planning and research is no less  
11 than \$7,050,000 the first year and no less than \$7,050,000 the second year from the highway  
12 share of the Transportation Trust Fund for the planning and evaluation of options to address  
13 transportation needs. Included in the amounts in this item, \$50,000 the first year and \$50,000  
14 the second year from the allocation for the Office of Intermodal Planning and Investment is  
15 provided for sponsorship of the annual Public Policy Day (formerly Mobility Talks  
16 International) at the Washington, DC Auto Show.

17 B. Notwithstanding the provisions of Chapter 729 and Chapter 733 of the 2012 Acts of  
18 Assembly, the Commonwealth Transportation Board shall not reallocate any funds from  
19 projects on roadways controlled by any county that has withdrawn or elects to withdraw from  
20 the secondary system of state highways, nor from any roadway controlled by a city or town as  
21 part of the state's urban roadway system, based on a determination of nonconformity with the  
22 Commonwealth Transportation Board's Statewide Transportation Plan or the Six-Year  
23 Improvement Program. In jurisdictions that maintain roadways within their boundaries, the  
24 provisions of § 33.2-214, Code of Virginia, shall apply only to highways controlled by the  
25 Department of Transportation.

26 C. The prioritization process developed under § 33.2-214.1, Code of Virginia, shall not apply  
27 to use of funds provided in this Item from the federal apportionments in the State Planning  
28 and Research Program.

29 D. The Department of Transportation, with the assistance of the Virginia Institute for Marine  
30 Science, shall provide an annual update on the status of the Coastal Virginia Transportation  
31 Infrastructure Inundation Study no later than December 1 of each year to the Chairs of the  
32 House Appropriations and Senate Finance and Appropriations Committees, Chairs of the  
33 House and Senate Transportation Committees, Chair of the Joint Subcommittee on Coastal  
34 Flooding and Adaptation, and the Secretaries of Transportation and Natural Resources. The  
35 report shall include at a minimum: an up-to-date identification of at-risk rural, suburban and  
36 urban infrastructure, and planning and options to mitigate or eliminate the identified risks; and  
37 a report on what work remains to be completed and estimated time frame for the completion  
38 of its work.

39 E. Out of this appropriation, \$250,000 the first year from the general fund is provided for the  
40 Department to complete a study of the impact of the development of the state's highway  
41 systems on African American communities. The study shall include spatial and health  
42 analyses, the effects of discriminatory practices, and recommendations for reparative actions  
43 and equitable infrastructure planning.

I veto item 437.E.  
on page 514.

*[Handwritten signature]*  
5-2-25

44	438. Highway Construction Programs (60300).....		\$3,999,337,848	\$3,599,507,188
45			\$4,230,381,124	\$2,937,456,869
46	Highway Construction Program Management			
47	(60315).....	\$60,304,093	\$61,760,315	
48		\$63,496,415	\$68,514,378	
49	Virginia Highway Safety Improvement Program			
50	(60317).....	\$118,307,520	\$138,192,947	
51		\$96,231,314	\$102,360,395	
52	Interstate Operations and Enhancement Program			
53	(60318).....	\$301,465,670	\$608,663,750	
54		\$522,645,954	\$262,661,281	
55	State of Good Repair Program (60320).....	\$390,184,341	\$449,840,621	
56		\$332,166,571	\$351,861,387	
57	High Priority Projects Program (60321).....	\$279,166,528	\$318,937,383	
58		\$209,856,632	\$232,272,276	

## ITEM 471.

Item Details(\$)  
First Year Second Year  
FY2025 FY2026

Appropriations(\$)  
First Year Second Year  
FY2025 FY2026

Planning and Budget shall transfer the funds to the appropriate agency or fund:

*J.1. There is hereby created in the state treasury a special nonreverting fund to be known as the Mass Violence Care Fund (the Fund). The Fund shall be established on the books of the Comptroller. All moneys accruing to the Fund, including funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf, shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used for the purpose of supporting out-of-pocket health expenses for victims of mass violence.*

*2. The Director, Department of Planning and Budget, shall transfer the balances of the funds originally provided for victims of mass violence pursuant to Item 485, Chapter 1, 2023 Acts of Assembly, Special Session 1.*

*3. Amounts in the Mass Violence Care Fund shall not be transferred or expended unless and until the General Assembly has adopted a structure for administering the Fund.*

*K.1. Notwithstanding the provisions of § 2.2-115, Code of Virginia, \$250,000 the first year shall be transferred from the amounts in Item 101, Paragraph A. of this act to the Virginia Employment Commission on or before July 15, 2024, for the purpose of updating the November 2021 Paid and Family Medical Leave study.*

*2. The Virginia Employment Commission (the Commission), in collaboration with the Department of Human Resource Management, the Compensation Board, the Virginia Department of Education, and the Department of Planning and Budget, shall update its November 2021 Virginia Paid Family and Medical Leave study, as authorized by Item 111 of Chapter 1289 of the Acts of Assembly of 2020, to include an assessment of the budgetary impacts of extending application of paid family and medical leave benefits as contemplated in Senate Bill 373 of the 2024 General Assembly to exempt individuals, while maintaining the benefits provided in § 2.2-1210 of the Code of Virginia for state employees. Such assessment shall also examine (i) the number of exempt individuals that would receive expanded family and medical leave benefits; (ii) the budgetary impact and salary impact associated with providing each type of benefit to each class of employee described in clause (i); and (iii) the budgetary impact on state direct aid to public education. The Commission shall submit the updated study to the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations on or before December 1, 2024.*

*3. "Exempt individuals" for the purpose of this paragraph means a state employee, the treasurer, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, sheriff of any county or city, regional jail superintendent or regional jail officer, or local director of finance, or deputy or employee of any such officer, or an employee of a local school division.*

*4. "State employee" means all persons employed by the Commonwealth or a public institution of higher education to provide services, including both salaried and wage employees, whether employed full time or part time.*

*L. Out of the amounts in this item, \$40,000,000 the first year from the general fund shall be provided to establish the Virginia Clean Energy Innovation Bank to finance climate initiatives. Up to \$2,000,000 of these amounts may be used for administration.*

*M. Out of this appropriation, the Governor is authorized to expend additional amounts as necessary to support costs associated with the Presidential Debate hosted by Virginia State University in October 2024.*

*N.1. Included in this Item is \$1,312,898 the second year from the general fund to support the transition offices established as a result of the 2025 elections for Governor, Lieutenant Governor, and Attorney General. Out of this amount, \$1,149,898 shall be transferred, based on actual expenses, to the Department of General Services and \$163,000 to the Division of Executive Administrative Services for the provision of facilities, equipment, services, and supplies required to support the transition activity.*

I veto Item 471. L on  
page 553

*HL Yf.*  
5-2-25

ITEM 471.

**Item Details(\$)**  
**First Year      Second Year**  
**FY2025          FY2026**

**Appropriations(\$)**  
**First Year      Second Year**  
**FY2025          FY2026**

2. The Commonwealth's financial support for the transition is to be allocated as follows:

Office of the Governor: \$1,194,410

Office of the Lieutenant Governor: \$69,327

Office of the Attorney General: \$49,161

O. Included in this Item is \$652,484 the second year from the general fund to be transferred, based on actual expenditures, to the Department of General Services to support anticipated costs for the inauguration in January 2026.

P. On or before June 30, 2025, the Director, Department of Planning and Budget, shall authorize the reversion to the general fund of \$994,429 from the surplus balances of this program.

Not set out.

473.	Educational and General Programs (10000).....		\$28,930,454	\$28,930,454
	Higher Education Instruction (10001).....	\$28,930,454	\$28,930,454	
	Fund Sources: General.....	\$28,930,454	\$28,930,454	

A. Out of this appropriation, \$28,930,454 the first year and \$28,930,454 the second year from the general fund is designated for the Tech Talent Investment Fund. These funds shall be allocated in accordance with provisions established in §23.1-1239 through §23.1-1243, Code of Virginia, and shall be used to support the efforts of qualified institutions to increase by fiscal year 2039 the number of new eligible degrees by at least 25,000 more degrees than the number of such degrees awarded in 2018 and to improve the readiness of graduates to be employed in technology-related fields and fields that align with traded-sector growth opportunities identified by the Virginia Economic Development Partnership. Funds may be used to support admissions and advising programs designed to convey labor market information to students to guide decisions to enroll in eligible degree programs and academic programs and to fund facility construction, renovation, and enhancement and equipment purchases related to the initiative to increase the number of eligible degrees awarded.

B. Prior to an allocation from the Fund, institutions must enter into a Memorandum of Understanding (MOU) through a negotiation process between the institution and the Commonwealth. The MOU shall contain criteria for eligible degrees, eligible expenses, and degree production goals for a period ending in 2039. In addition, each institution shall (i) submit an enrollment plan detailing the number of eligible degrees produced between July 1, 2013, and June 30, 2018; (ii) develop a detailed plan of how the institution proposes to materially increase the enrollment, retention, and graduation of students pursuing eligible degrees, the resources necessary to accomplish such increase in enrollment, retention, and graduation, and plans to track new enrollment; (iii) provide an accounting of the anticipated number of in-state and out-of-state students enrolling in eligible degree programs; (iv) determine the existing capacity of current eligible degree programs; (v) propose plans to partner with other institutions to provide courses or programs that will lead to the completion of an eligible degree including articulation agreements with the Virginia Community College System to provide guaranteed admission for qualified students with an associate degree for transfer into an eligible degree program; (vi) allocate existing funds held by or appropriated to the institution to meet increased enrollment, retention, and graduation goals in eligible degree programs; and (vii) provide any other information deemed relevant.

C. Failure of an institution to meet the goals, metrics, and requirements set forth in its memorandum of understanding shall result in the adjustment of any future allocations from the Fund to the institution to reflect such discrepancy.

D. 1. Notwithstanding §23.1-1242 of the Code of Virginia, for the 2024-26 biennium eligibility for grant payments shall be determined by the requirements stipulated in each institution's MOU.

2. Notwithstanding any other provision of law, Memorandum of Understanding (MOU) or provisions therein, funds awarded for the biennium shall be issued based on the amounts shown in the table below and shall not be reduced. The State Council of Higher Education for Virginia and the Virginia Economic Development Partnership, in consultation with staff

1 veto Item 473 on pages 554-555  
 5-7-25



ITEM 473.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	representatives from participating institutions, the Senate Committee on Finance and				
2	Appropriations, the House Committee on Appropriations, the Secretary of Finance, and				
3	the Secretary of Education, shall review the methodology to determine any award				
4	reduction amounts based on performance and provide recommendations to the Secretary				
5	of Finance and designated reviewers as outlined in § 23.1-1241, Code of Virginia. The				
6	revised methodology shall be communicated to institutions including a list of frequently				
7	asked questions at least one year prior to implementing the change.				
8	<b>Institution</b>			<b>FY 2026 Allocation</b>	
9	Christopher Newport University				\$751,702
10	College of William and Mary				1,384,198
11	George Mason University				4,075,259
12	James Madison University				685,381
13	Longwood University				263,415
14	University of Mary Washington				654,911
15	Norfolk State University				241,601
16	Old Dominion University				1,480,916
17	University of Virginia				1,718,369
18	University of Virginia's College at Wise				71,328
19	Virginia Commonwealth University				1,345,125
20	Virginia Polytechnic Institute & State University				9,695,499
21	Virginia State University				305,824
22	George Mason University (Masters)				1,722,478
23	Virginia Polytechnic Institute & State University (Masters)				3,261,805
24	Virginia Community College System				1,272,643
25	<b>Total</b>				<b>\$28,930,454</b>
26	474. Not set out.				
27	Total for Central Appropriations.....			<b>\$306,558,035</b>	<b>\$484,569,254</b>
28				<b>\$406,596,076</b>	<b>\$552,079,732</b>
29	Fund Sources: General.....	\$253,135,353	\$431,146,572		
30		\$343,799,359	\$498,657,050		
31	Higher Education Operating.....	\$12,157,622	\$12,157,622		
32		\$21,531,657			
33	Trust and Agency.....	\$41,265,060	\$41,265,060		
34	TOTAL FOR CENTRAL APPROPRIATIONS.....			<b>\$306,558,035</b>	<b>\$484,569,254</b>
35				<b>\$406,596,076</b>	<b>\$552,079,732</b>
36	Fund Sources: General.....	\$253,135,353	\$431,146,572		
37		\$343,799,359	\$498,657,050		
38	Higher Education Operating.....	\$12,157,622	\$12,157,622		
39		\$21,531,657			
40	Trust and Agency.....	\$41,265,060	\$41,265,060		
41	TOTAL FOR EXECUTIVE DEPARTMENT.....			<b>\$83,893,870,555</b>	<b>\$85,369,466,540</b>
42				<b>\$89,145,234,584</b>	<b>\$88,448,532,742</b>
43	General Fund Positions.....	51,051.68	51,052.68		
44		51,063.68	51,186.28		
45	Nongeneral Fund Positions.....	66,807.93	66,871.93		
46		67,428.93	67,810.18		
47	Position Level.....	117,859.61	117,924.61		
48		118,492.61	118,996.46		
49	Fund Sources: General.....	\$30,944,929,522	\$31,095,722,325		
50		\$33,938,830,888	\$31,887,649,818		
51	Special.....	\$1,864,456,786	\$1,861,700,610		
52		\$1,859,337,205	\$2,189,556,952		

ITEM C-3.50.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	J. Notwithstanding the provisions of § 22.1-13, Code of Virginia, meetings of the Board of				
2	Education shall be held in a location as proximate as possible to the seat of government in				
3	Richmond during the period in which public meeting space is not readily available due to				
4	the transition of state agencies out of the Monroe Building.				
5	C-3.60	Improvements: Relocate Office of Fleet			
6		Management Services (18776).....			
7	The Department of General Services shall undergo a review of potential relocation of its				
8	Office of Fleet Management Services (OFMS), currently located at the property at 2400				
9	West Leigh Street in the City of Richmond. The review shall include, but not be limited to,				
10	(i) examination of other properties for relocation of OFMS, and (ii) review of potential				
11	consolidation with the Virginia State Police and any other sizeable state fleet operations				
12	in the Richmond area. Virginia State Police and other affected agencies shall assist with				
13	the review as needed, which shall be provided to the Chairs of the House Appropriations				
14	and Senate Finance and Appropriations Committees by November 1, 2025.				
15	Total for Department of General Services.....			\$50,000,000	\$0
16				\$99,500,000	
17	Fund Sources: General.....		\$50,000,000	\$0	
18			\$99,500,000		
19	TOTAL FOR OFFICE OF ADMINISTRATION....			\$50,000,000	\$0
20				\$99,500,000	
21	Fund Sources: General.....		\$50,000,000	\$0	
22			\$99,500,000		
23	OFFICE OF EDUCATION				
24	§ 2-2. THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA (204)				
25	C-4.	Not set out.			
26	C-4.10	New Construction: Construct West Woods Phase			
27		2 (18766).....			
28	Fund Sources: Bond Proceeds.....		\$0	\$120,000,000	
29	Total for The College of William and Mary in			\$5,000,000	\$0
30	Virginia.....				\$120,000,000
31					
32	Fund Sources: Bond Proceeds.....		\$5,000,000	\$0	
33				\$120,000,000	
34	C-4.50	Not set out.			
35	§ 2-3. GEORGE MASON UNIVERSITY (247)				
36	C-5.	Improvements: Address Priority Facility			
37		Improvements (18720).....			
38				\$8,000,000	\$0
39	Fund Sources: General.....		\$20,250,000	\$0	
40	Bond Proceeds.....		\$8,000,000	\$0	
41	Total for George Mason University.....			\$8,000,000	\$0
42				\$28,250,000	
43	Fund Sources: General.....		\$20,250,000	\$0	
44	Bond Proceeds.....		\$8,000,000	\$0	
45	§ 2-4. JAMES MADISON UNIVERSITY (216)				

I veto Item C-5 on page 579

5-2-25

I veto Item C-5 on  
page 579

*[Signature]*  
5-2-25

ITEM C-25.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	Bridge, Mayo River, Clinch River, Southwest Virginia Museum, Machicomoco, Middle				
2	Peninsula, Sweet Run, Fairy Stone, False Cape, Staunton River Battlefield, James River,				
3	Hungry Mother, Hayfields, <i>Widewater</i> , and Culpeper Battlefields.				
4	C-26. Not set out.				
5	C-27. Not set out.				
6	C-28. Omitted.				
7	C-29. Not set out.				
8	C-29.10 Not set out.				
9	C-29.20 Not set out.				
10	C-29.30 Improvements: State Park Deferred Maintenance				
11	(18654).....				
12	Fund Sources: General.....	\$20,000,000	\$0		
13	A. Out of this appropriation, up to \$1,800,000 shall be used to renovate lodging facilities				
14	at Breaks Interstate Park, including the Catawba Unit.				
15	B. Out of this appropriation, up to \$300,000 shall be used for remediation of the breach at				
16	Jones Pond in Caledon State Park.				
17	Total for Department of Conservation and				
18	Recreation.....			\$38,781,050	\$16,100,000
19				\$58,701,050	\$26,499,475
20	Fund Sources: General.....	\$750,000	\$0		
21		\$20,750,000			
22	Special.....	\$500,000	\$0		
23			\$7,759,475		
24	Dedicated Special Revenue.....	\$19,091,050	\$16,100,000		
25			\$17,100,000		
26	Federal Trust.....	\$1,360,000	\$0		
27			\$1,640,000		
28	Bond Proceeds.....	\$17,000,000	\$0		
29	C-30. Not set out.				
30	C-30.10 Not set out.				
31	TOTAL FOR OFFICE OF NATURAL AND				
32	HISTORIC RESOURCES.....			\$46,701,050	\$21,100,000
33				\$66,701,050	\$31,499,475
34	Fund Sources: General.....	\$750,000	\$0		
35		\$20,750,000			
36	Special.....	\$500,000	\$0		
37			\$7,759,475		
38	Dedicated Special Revenue.....	\$19,591,050	\$16,600,000		
39			\$17,600,000		
40	Federal Trust.....	\$5,860,000	\$4,500,000		
41			\$6,140,000		
42	Bond Proceeds.....	\$20,000,000	\$0		
43	OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY				
44	§ 2-17. DEPARTMENT OF CORRECTIONS (799)				

I veto Item C-29.30 on page 585

Handwritten signature and date: 9/15-2-25

## ITEM C-31.

Item Details(\$)		Appropriations(\$)	
First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026

1 C-31. Not set out.

2 C-32. Not set out.

3 C-32.10 Improvements: HVAC Improvements and  
4 Installations (18781).....

\$25,000,000 \$0

5 Fund Sources: General..... \$25,000,000 \$0

6 A. Out of this appropriation, \$25,000,000 the first year is provided for the department to  
7 conduct necessary improvements at Nottoway Correctional Center to install adequate  
8 heating, ventilation, and air conditioning.

9 Total for Department of Corrections.....

\$7,669,280 \$0

10 \$32,669,280

11 Fund Sources: General..... \$25,000,000 \$0

12 Bond Proceeds..... \$7,669,280 \$0

13 TOTAL FOR OFFICE OF PUBLIC SAFETY AND  
14 HOMELAND SECURITY.....

\$7,669,280 \$0

15 \$32,669,280

16 Fund Sources: General..... \$25,000,000 \$0

17 Bond Proceeds..... \$7,669,280 \$0

18 I veto Item C-32.10 on page OFFICE OF TRANSPORTATION  
586 15-2-25

19 § 2-18. DEPARTMENT OF MOTOR VEHICLES (154)

20 C-33. Maintenance Reserve (15021).....

\$2,000,000 \$0  
\$6,000,000 \$11,500,00022 Fund Sources: Commonwealth Transportation..... \$2,000,000 \$0  
23 \$6,000,000 \$11,500,00024 C-34. Improvements: Renovate DMV Headquarters  
25 (18712).....\$14,844,060 \$0  
\$16,000,00027 Fund Sources: Commonwealth Transportation..... \$14,844,060 \$0  
28 \$16,000,000

29 Total for Department of Motor Vehicles.....

\$16,844,060 \$0

30 \$20,844,060 \$27,500,000

31 Fund Sources: Commonwealth Transportation..... \$16,844,060 \$0  
32 \$20,844,060 \$27,500,000

33 C-35. Not set out.

34 C-36. Not set out.

35 § 2-19. VIRGINIA PORT AUTHORITY (407)

36 C-37. Not set out.

37 C-38. Not set out.

38 C-39. Not set out.

39 C-39.10 Improvements: Capital Lease Amendment for the  
40 Virginia International Gateway Terminal (18782).....

\$0 \$335,000,000

41 Fund Sources: Special..... \$0 \$335,000,000



## ITEM C-52.

Item Details(\$)  
First Year      Second Year  
FY2025      FY2026

Appropriations(\$)  
First Year      Second Year  
FY2025      FY2026

1 *Advisory Committee, the project is authorized for full planning through working drawings.*  
2 *The Department of General Services shall serve as the project manager responsible for*  
3 *overseeing and coordinating the capital project.*

4 B. On or before June 30, 2025, the Director, Department of Planning and Budget, shall revert  
5 \$47,500,000 general fund appropriation from the 2022 State Agency Capital Account (949-  
6 18587) to the general fund.

7 C. All language provisions set forth in preceding legislation related to project 194-18516 are  
8 hereby continued in their entirety.

9 C-52.10 2025 Public Educational Institution Capital Account  
10 (18763).....

\$795,375,294

\$0

11 Fund Sources: General..... \$626,043,774 \$0  
12 Higher Education Operating..... \$144,800,000 \$0  
13 Bond Proceeds..... \$24,531,520 \$0

14 A. There is hereby appropriated \$626,043,774 the first year from the general fund and  
15 \$169,331,520 the first year from nongeneral fund resources, including amounts authorized  
16 from bonds pursuant to Article X, Section 9(d), Constitution of Virginia, as specified in Item  
17 C-59 of this Act, to provide funds for the construction, acquisition, and other capital costs of  
18 the following projects subject to the pool process delineated in Section 2.2-1515 et. seq., Code  
19 of Virginia:

Agency Code	Agency Title	Project Title
204	The College of William and Mary in Virginia	Replace Law School Central Utility Plant
207	University of Virginia	Construct Center for the Arts (18602)
208	Virginia Polytechnic Institute and State University	Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute (18682)
212	Virginia State University	Renovate Virginia Hall (18757)
214	Longwood University	Replace Roof, Windows, and External Doors Lankford Hall
216	James Madison University	Renovate Johnston Hall (18758)
236	Virginia Commonwealth University	Acquire Altria Building
260	Virginia Community College System	Renovate Amherst/Campbell Hall, Central Virginia (18343)
268	Virginia Institute of Marine Science	Construct Marine Operations Administration Complex (18746)
885	Institute for Advanced Learning and Research	Expand Center for Manufacturing Advancement (18705)

46 B.1. The Department of General Services may serve as the project manager responsible for  
47 overseeing and coordinating the project to Renovate Virginia Hall (18757) with Virginia  
48 State University.

49 2. The scope of the project to Renovate Virginia Hall (212-18757) is hereby expanded to  
50 include the renovation of four smaller campus buildings at Virginia State University, as  
51 follows: Colson Hall, Lindsay Montague, Johnella Jackson, and Memorial Hall. The intent of  
52 these renovations is to provide near-term relocation of educational and general faculty and  
53 staff relocated from Virginia Hall. The scope of the projects shall include any needed updates

## ITEM C-52.10.

Item Details(\$)		Appropriations(\$)	
First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026

to the buildings' critical systems, envelope, and/or other core elements as needed for the buildings to be utilized by the institution in the long term as educational and general office support space.

C. To execute the project titled "Acquire Altria Building," Virginia Commonwealth University (VCU) shall remit lease payments above the actual operating costs of the building to the general fund or shall reduce the general fund portion of the purchase price equal to the amount of such excess lease payments while VCU leases space in the building to Altria or any other entity not related to Virginia Commonwealth University or the Virginia Commonwealth University Health System Authority.

1 VETO ITEM  
C-52.10 on

PAGES 598 and 599

5-2-25

*[Handwritten signature]*

C-52.20 2025 State Agency Capital Account (18764).....

\$106,566,064

\$0

Fund Sources: General..... \$106,566,064 \$0

A. There is hereby appropriated \$106,566,064 the first year from the general fund to provide funds for the construction, acquisition, and other capital costs of the following projects subject to the pool process delineated in Section 2.2-1515 et. seq., Code of Virginia:

Agency Code	Agency Title	Project Title
156	Department of State Police	Acquire Division Six Headquarters (18326)
194	Department of General Services	Renovate Patrick Henry Building Administration Offices
194	Department of General Services	Carillon Tenant Improvements
218	Virginia School for the Deaf and the Blind	Renovate Main Hall Interior
238	Virginia Museum of Fine Arts	Install Fire Protection System
720	Department of Behavioral Health and Developmental Services	Replace retherm units at state facilities
777	Department of Juvenile Justice	Replace sprinkler system in Bon Air Juvenile Correctional Center expansion building
912	Department of Veterans Services	Acquire Additional Land for Suffolk Veterans Cemetery

B. The scope and title of the Department of State Police project to Construct Division Six Headquarters (18326), as previously authorized in the fourth enactment clause of Chapters 759 and 769 of the 2016 Acts of Assembly and amended in Item C-66 of Chapter 552 of the 2021 Acts of Assembly, Special Session 1, is hereby changed to Acquire Division Six Headquarters.

C-53. Not set out.

C-53.50 Improvements: Wastewater Treatments Upgrades (18745).....

~~\$200,000,000~~  
\$231,164,700

\$200,000,000

Fund Sources: General..... \$0 \$0  
Bond Proceeds..... ~~\$200,000,000~~ \$200,000,000  
\$231,164,700

A.1. Out of this appropriation, ~~\$200,000,000~~ \$231,164,700 the first year and \$200,000,000 the second year from nongeneral fund bond proceeds are authorized for transfer to the Department of Environmental Quality to make matching grants for Water Quality Improvement Fund eligible wastewater projects for Chesapeake Bay nutrient reductions authorized under Code of Virginia §§ 10.1-1186.01.F., 10.1-2131.C., and 62.1-

ITEM C-53.50.

Item Details(\$)  
First Year Second Year  
FY2025 FY2026

Appropriations(\$)  
First Year Second Year  
FY2025 FY2026

44.19:14.G.1.

2. The Virginia Public Building Authority pursuant to § 2.2-2260 et seq., Code of Virginia, is hereby authorized to issue bonds in a principal amount not to exceed ~~\$200,000,000~~ \$231,164,700 the first year and \$200,000,000 the second year plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other financing expenses, in accordance with § 2.2-2263, Code of Virginia, to be provided to the Department of Environmental Quality to make matching grants for Water Quality Improvement Fund eligible wastewater projects for Chesapeake Bay nutrient reduction authorized under Code of Virginia §§ 10.1-1186.01.F., 10.1-2131.C., and 62.1-44.19:14.G.1.

3. Debt service on the bonds issued under the authorization in this item shall be provided from appropriations to the Treasury Board.

I VETO ITEM C-53.50  
ON PAGES 599-600  
/s/ Glenn Youngkin  
3-24-2025

C-53.60 2020 VPBA Capital Construction Pool (18493).....

\$0

\$0

A. The scope of the capital project for the Virginia Museum of Fine Arts, titled, "Expand and Renovate Museum (18430)" authorized in Item C-67, Chapter 1289, 2020 Acts of Assembly, is hereby changed to: consolidate the proposed annex programs and associated square footage into the museum expansion/renovation; eliminate plans for new underground parking and replace associated square footage with additional museum and administrative support spaces; and provide food service support to the project as required by the program. There shall be no change to the size of the project as previously approved.

B.1. The scope and title of the Department of General Services project to "Provide water infrastructure to state facilities in Nottoway County, Virginia" (194-18516), as previously authorized in Item C-67 of Chapter 1289 of the 2020 Acts of Assembly, and amended in Item C-78 of Chapter 1 of the 2023 Acts of Assembly, Special Session I, is hereby amended and changed to "Replace water transmission line to state facilities in Nottoway County, Virginia (194-18516)". The scope of the project shall be to replace the main water transmission line and to explore increasing water capacity via wells to support the water needs of Piedmont Geriatric Hospital, the Virginia Center for Behavioral Rehabilitation (Phases 1 and 2), and Nottoway Correctional Center. The Department shall proceed expeditiously to satisfy the scope of the project as described.

2. Funds appropriated to the 2022 Capital Supplement Pool in Item C-49 of this act and remaining from previous appropriation to the 2022 Capital Supplement Pool shall be used to support the cost of this project if needed beyond amounts originally assumed and available from the 2020 VPBA Capital Construction Pool to execute the project as described in paragraph B.1. of this item.

3. The Department is authorized to construct, provide, and improve infrastructure as necessary to implement the project, to acquire by purchase, gift, or power of eminent domain such lands, structures, rights-of-way, franchises, easements, and other interests in lands of any person, association, partnership, corporation, railroad, public service, public utility, municipality or political subdivision, all without obtaining the consent or permission of any locality or public body. Condemnation proceedings authorized by the preceding sentence shall be conducted, at the option of the Department, under the provisions of Chapter 2 or Chapter 3 of Title 25.1 of the Virginia Code. The ownership, construction, and operation of the infrastructure shall not be subject to any state or local permitting requirements or similar ordinances or regulations. Upon completion of construction, the Department is authorized to transfer ownership and/or operation of all or any part of the property to one or more locality, which shall not require the consent or permission of any locality or public body. The exercise of the power of eminent domain for the purposes provided herein shall be and is declared to be a public use of such property.

4. The Virginia Resources Authority (VRA) and the Department of Health (VDH) shall assist the Town of Crewe with exploring and evaluating funding options to upgrade, repair, or replace water infrastructure to increase water capacity, including but not limited to, identifying grants and revolving loans. Upon request, other state agencies shall provide assistance as needed to support this effort. No later than January 1, 2026, VRA and VDH shall provide information to the Chairs of House Appropriations and Senate Finance and Appropriations Committees on the funding options for additional infrastructure upgrades.

I veto Item C-53.60 on pages 600-601  
3-24-25

ITEM C-53.60.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	needed to provide water for the Town of Crewe.				
2	C-53.70 2020 VCBA Capital Construction Pool (18494).....			\$15,545,100	\$0
3	Fund Sources: General.....	\$15,545,100	\$0		
4	The title of the capital project for the Virginia Community College System originally				
5	authorized for pre-planning in Item C-39.05, Chapter 806, 2013 Acts of Assembly, and				
6	authorized for construction in Item C-68, Chapter 1289, 2020 Acts of Assembly, as				
7	"Renovate Godwin Building, Annandale Campus, Northern Virginia" (18087) is hereby				
8	changed to "Replace Godwin Building, Annandale Campus, Northern Virginia". The				
9	project scope shall include replacement of the Godwin Building with a 82,995 square foot				
10	facility. There shall be no change to the facility's intended use.				
11	C-53.80 Improvements: Local Water Quality and Supply				
12	Projects (18050).....			\$40,000,000	\$0
13	Fund Sources: Bond Proceeds.....	\$40,000,000	\$0		
14	A. The Virginia Public Building Authority, pursuant to § 2.2-2260 et seq., Code of				
15	Virginia, is authorized to issue bonds in a principal amount not to exceed \$40,000,000,				
16	plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest				
17	prior to and during the acquisition or construction and for one year after completion				
18	thereof, and other financing expenses, to finance the costs of the projects described in				
19	paragraph C. of this item.				
20	B. Debt service on the bonds issued under the authorization in this item shall be provided				
21	from appropriations to the Treasury Board.				
22	C. From the appropriation and bond authorization provided in this item, up to				
23	\$40,000,000 of the bond proceeds shall be provided to the Department of Environmental				
24	Quality for the Stormwater Local Assistance Fund, established in accordance with the				
25	provisions of Item 365 of this act. In accordance with the purpose of the Fund set out in				
26	Item 365, the appropriation shall be used to provide grants solely for capital projects				
27	meeting all pre-requirements for implementation, including but not limited to: i) new				
28	stormwater best management practices; ii) stormwater best management practice				
29	retrofits; iii) stream restoration; iv) low impact development projects; v) buffer				
30	restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in				
31	accordance with eligibility determinations made by the State Water Control Board under				
32	the authority of the Department of Environmental Quality.				
33	D. The provisions of §§ 2-0 and 4-4.01 of this act and the provisions of § 2.2-1132, Code				
34	of Virginia, shall not apply to the projects supported by this item.				
35	C-54. Authorization of Leases and Financed Purchase				
36	Agreements (18715).....			\$0	\$0
37	A. The Department of General Services is authorized to enter into leases or financed				
38	purchase agreements that may qualify as a capital project pursuant to § 4-3.03 of this Act				
39	as follows:				
40	1. On behalf of the Department of Motor Vehicles, to address lease space needs for a				
41	customer service center to replace or renew the lease for the existing facility in Arlington				
42	County, Fairfax County, Fauquier County, Russell County, Shenandoah County, Warren				
43	County, the City of Petersburg, and the City of Virginia Beach.				
44	2. On behalf of the Department of Motor Vehicles, to address customer service needs in				
45	the City of Chesapeake by leasing space for an additional customer service center.				
46	3. On behalf of the Department of Corrections, to address space needs for probation and				
47	parole offices in Alexandria, Arlington, Bedford, Bristol, Danville, Chesapeake,				
48	Farmville, the City of Franklin, Fredericksburg, Gloucester, Henrico, Harrisonburg,				
49	Leesburg, Lynchburg, Martinsville, Newport News, Prince George/Hopewell, Radford,				
50	Roanoke, South Boston, Staunton, Suffolk, Tazewell, Winchester, and Wytheville.				
51	4. On behalf of the Department of Aging and Rehabilitative Services, to address lease				

I VETO C-53.80  
ON PAGE 601  
/s/ Glenn Youngkin  
3-24-2025



## PART 4: GENERAL PROVISIONS

1 Veto Item 4-1.02  
on pages 619-622  
HL 3/5-2-25

§ 4-0.01. Not set out.

§ 4-1.01. Not set out.

§ 4-1.02 WITHHOLDING OF SPENDING AUTHORITY

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

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

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

c. Increased Nongeneral Fund Revenue:

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

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

d. Reduced General Fund Resources:

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

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

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

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

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

c) 1. Within 30 business days after the enactment of amendments to federal income taxes, the Department of Taxation shall provide the estimated fiscal impacts to general fund revenue from such amendments to federal income tax law to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

2. Within 20 business days of receiving the estimated fiscal impacts from the Department of Taxation in subsection c) 1., the Governor shall submit a budget bill in accordance with § 2.2-1509, notwithstanding any conflicting requirements in § 2.2-1509, if the cumulative projected impact of such amendments, except any amendment to federal income tax law that is a federal tax extender as defined under subdivision B 11 of § 58.1-301, would decrease general fund revenues by more than \$100.0 million in the fiscal year in which the amendments were enacted or the succeeding fiscal year.

3. Notwithstanding c) 2., if the requirements in subsection c) 1., are met on or after November 1 but before the date on which the Governor submits a budget bill in accordance with § 2.2-1509, the Governor shall not be required to submit a budget within 20 business days but instead shall include the estimated fiscal impacts in the budget bill introduced in accordance with § 2.2-1509. If the requirements in subsection c) 2. are met on or after the date on which the Governor submits a budget bill in accordance with § 2.2-1509 but before the adjournment of a regular session of the General Assembly in the following year, the Governor shall not be required to submit a budget within 20 business days.

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

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

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

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

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

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

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

governing board.

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

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

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

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

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

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

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

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

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

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

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

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

*e. Reduced Federal Grant Revenue:*

1. Within 30 business days after the enactment of federal changes that impact federal grant revenue to the Commonwealth by at least \$100 million in the fiscal year in which the federal changes occur or the succeeding fiscal year, whether by an Act of Congress or by executive action, the Department of Planning and Budget shall provide the estimated fiscal impact from such federal changes to the Governor and the Chairmen of the Senate Finance and Appropriations and the House Appropriations Committees.

2. Federal grants shall be payable in full only to the extent the nongeneral fund revenues from which the federal grant is payable are estimated to be sufficient. The Governor is authorized to reduce allotments for the impacted federal grants by the amount necessary to ensure that expenditures do not exceed the supporting revenues for such appropriation.

3. If federal grant reductions result in additional general fund expenditures being required (i.e. mandatory programs) that exceed one percent of the general fund operating budget in the fiscal year in which the federal changes occur or the succeeding fiscal year, the Governor shall consult with the leadership of the General Assembly regarding the need to call the General Assembly into special session for budgetary purposes to respond to the impact from reductions in federal grant revenue.



4. These provisions shall not apply to major nongeneral fund sources as defined as Highway Maintenance and Operating Fund and Transportation Trust Fund.

§ 4-1.03. Not set out.

§ 4-1.04. Not set out.

§ 4-1.05. Not set out.

§ 4-1.06. Not set out.

§ 4-1.07. Not set out.

§ 4-2.01. Not set out.

§ 4-2.02. Not set out.

§ 4-2.03. Not set out.

§ 4-3.01. Not set out.

§ 4-3.02. Not set out.

§ 4-3.03. Not set out.

§ 4-4.01. Not set out.

§ 4-4.02. Not set out.

§ 4-5.01. Not set out.

§ 4-5.02. Not set out.

§ 4-5.03. Not set out.

§ 4-5.04. Not set out.

§ 4-5.05. Not set out.

§ 4-5.06. Not set out.

§ 4-5.07. Not set out.

#### § 4-5.08 SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAMS

a: The Comptroller shall not draw any warrants to issue checks for semiconductor manufacturing performance grant programs, pursuant to Title 59.1, Chapter 22.3, Code of Virginia, without a specific legislative appropriation. The appropriation shall be in accordance with the terms and conditions set forth in a memorandum of understanding between a qualified manufacturer and the Commonwealth. These terms and conditions shall supplement the provisions of the Semiconductor Manufacturing Performance Grant Program; the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program; and the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II, as applicable; and shall include but not be limited to the numbers and types of semiconductor wafers that are produced; the level of investment directly related to the building and equipment for manufacturing of wafers or activities ancillary to or supportive of such manufacturer within the eligible locality; and the direct employment related to these programs. To that end, the Secretary of Commerce and Trade shall certify in writing to the Governor and to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees the extent to which a qualified manufacturer met the terms and conditions. The appropriation shall be made in full or in proportion to a qualified manufacturer's fulfillment of the memorandum of understanding.