VIRGINIA HOUSE
APPROPRIATIONS
COMMITTEE

CHAIRMAN LUKE E. TORIAN

February 22, 2026

RECOMMENDED AMENDMENTS TO HB 30

PREPARED BY
House Appropriations Committee Staff

RESOURCES

HB 29 RESOURCES

- As passed by the House, HB 29, or the "Caboose Bill," increases General Fund Resources for FY 2026 by $3.1 billion, driven by an increase in available balances of $1.75 billion. The increase in the available net balances is the result of:
  - $572.0 million general fund revenue surplus in FY 2025
  - $896.2 million in balances based on Governor's vetoes to items in Chapter 725
  - $257.5 million of reversions from unspent GF agency appropriations
- The increase also includes a $1.024 billion increase in the FY 2026 GF revenue forecast (driven by the higher FY 2025 base) and an increase in transfers of $363.7 million
- The net result of additional resources, and spending and savings changes leaves $2.3 billion to flow into the FY 2026-28 biennium

OVERVIEW OF RESOURCES

- As introduced, HB 30, the proposed 2026-28 budget, included $71.5 billion in total general fund resources available for appropriation
  - This amount includes $67.8 billion from revenue collections during the biennium and $1.8 billion from transfers into the general fund during the two years, for a total of $69.6 billion
  - The remaining $2.3 billion represents the carryforward balances from FY 2026
- The base forecast closely mirrors the GACRE forecast presented in November which assumed modest economic growth through the next biennium
- Year-to-date revenue growth through the first 7 months of the fiscal year has been 6.9% - well ahead of the forecasted 3.0% growth

COMMITTEE RESOURCE AND SPENDING ADJUSTMENTS

Revenue and Resource Changes	FY 2026	FY 2027	FY 2028	Biennial
Additions to Balance				
Legislative Carryforward Balances		2,402,250	53,124	2,455,374
Auxiliary Grant Balances		2,000,000	0	2,000,000
State Racing Operations Fund		5,000,000	0	5,000,000
Subtotal-Balances		**9,402,250**	**53,124**	**9,455,374**
Changes to Transfers				
OAG: Consumer Affairs Revolving Fund		4,116,585		4,116,585
EDIP: Site Acquisition Fund		79,967,308		79,967,308
DCJS: SRO Grant Fund balances		10,000,000		10,000,000
DOE: Lab Schools Fund balances		10,100,000		10,100,000
VRC: Forecast increase		5,000,000	5,000,000	10,000,000
SCHEV: Pell balances		22,850,000		22,850,000
SCHEV: Internship Program balances		10,295,000		10,295,000
ABC: HB 934, Distillers Licensees		(330,196)	(310,196)	(640,392)
DWR: State Salary Adjustment		(795,797)	0	(795,797)
Subtotal-Transfers		**141,202,900**	**4,689,804**	**145,892,704**

COMMITTEE RESOURCE AND SPENDING ADJUSTMENTS

Revenue and Resource Changes	FY 2026	FY 2027	FY 2028	Biennial
Revenues				
Federal Tax Conformity	200,900,000	318,100,000	315,900,000	634,000,000
Remove Other Tax Proposals		93,900,000	207,000,000	300,900,000
Sale of Monroe Building		25,200,000		25,200,000
Sale of 7th and Main Property		7,780,000		7,780,000
Sale of Augusta Property		2,000,000		
Skill Games (HB 1272)		88,421,250	176,842,500	265,263,750
Fantasy Contests Act (HB 145)		1,250,000	1,250,000	2,500,000
Subtotal - Revenues	**200,900,000**	**536,651,250**	**700,992,500**	**1,237,643,750**
Unappropriated Balance – HB29/30	2,124,733,900	2,316,398,593		
HAC Changes to Resources	200,900,000	687,256,400	705,735,428	1,392,991,828
HAC Changes to Spending	9,235,307	1,591,684,742	282,956,726	1,874,821,468
HAC Unappropriated Balance		8,101,910	7,083,304	15,185,214

PUBLIC EDUCATION

ELEMENTARY AND SECONDARY EDUCATION

$1,690.2 million in new spending proposed:

$437.8 million addresses technical updates, including rebenchmarking

$1,252.5 million in policy actions

About $419.4 million above HB 30 Introduced

PROPOSED SPENDING (Biennial $ in millions)	GF	NGF	Total
Rebenchmarking & Tech.	**$455.2**	**($17.4)**	**437.8**
One-time Flexible Payment	400.4	0	400.4
Two 2% Compensation Inc	382.9	0	382.9
Special Ed Add-On & SISNA	158.4	0	158.4
Add'l Child Care Subsidy Slots	137.6	0	137.6
Public Private Child Care	25.0	0	25.0
School Construction	0.0	127.0	127.0
Literary Fund Offset	(457.0)	457.0	0.0
Other Actions	(3.0)	23.0	20.0
Subtotal Policy	**644.3**	**607.0**	**1,252.5**
Total Proposed Changes	**$1,100.6**	**$589.6**	**$1,690.2**

COMPENSATION

$1,500 Bonus in FY 2026 (House Bill 29)

- Includes $117.6 million for the state's share of a $1,500 bonus for state-recognized SOQ instructional and support positions, in lieu of the 2.0% bonus proposed in the introduced budget
- Effective June 1, 2026, but flexibility provided to allow school divisions to provide the bonus during FY 2027 to budget for local match

2.0% Salary Increases in FY 2027 and FY 2028

- Includes $127.2 million in FY 2027 and $255.6 million in FY 2028 for the state's share of a 2.0% salary increase for state-recognized SOQ instructional and support positions
- Effective July 1, 2026 and 2027
- Participating school divisions may provide an average increase smaller than 2.0% and receive a prorated portion of funds

ONE-TIME FLEXIBLE FUNDING

Provides a one-time $400.4 million flexible supplement in FY 2027; divisions may carry funds into FY 2028

- Divisions may direct use of funds to address local needs
- Distributed proportionately – for most divisions more than 2% increase over biennium from introduced budget
  - $100.0 million based on share of estimated school age population
  - $200.8 million based on a 3.4% add-on to basic aid, LCI-adjusted
  - $99.6 million based on an add on to basic aid based on concentration of poverty (At-Risk Add-on formula), LCI-adjusted
  - Floor ensures no division receives less than $100,000
- No local match required; however, to access funds school divisions must provide the 2% compensation supplement

SPECIAL EDUCATION: STUDENTS WITH MOST INTENSE NEEDS

The **Students with Intensive Support Needs Application (SISNA)** provides school divisions funds to support special education students with most complex needs

Many of these students would otherwise be placed in a more expensive CSA-funded private day setting

Currently, SISNA funds are limited to students with certain disabilities, could be driving factor increasing private day placements

Provides $10.0 million in FY 2027 to serve additional students via SISNA

- Directs VDOE to expand eligible disability categories, to consider categories that would minimize CSA private day placements for students with complex behavioral needs
- Establishes reporting requirements to provide comparable data across SISNA and CSA Private Day placements
- HB 1373 (Carroll) establishes workgroup to assess further strategies to use SISNA to minimize private day placements

SPECIAL EDUCATION ADD-ON FUNDING

Special Education Add-On Funds provide a supplement to school divisions' basic aid funding, based on each student's level of service needs

Initiated in FY 2025 as a recommendation of JLARC and Joint Subcommittee on K-12 Funding

Higher levels of support for Level 2 students should decrease demand for student-specific funding sources like SISNA and CSA-funded private day placements

Expands Add-On initiated in FY 2025 to address JLARC findings

- Provides $148.4 million over biennium – more than doubled the Special Education student add-on
- New rates better recognize higher level of support for Level 2 students - those requiring additional services most of the school day

Student Level of Service Needs	Current Add-On	Proposed Add-On
Level 1 (lesser service needs)	4.75%	9.25%
Level 2 (greater service needs)	5.25%	17.5%

SCHOOL CONSTRUCTION

- Provides $347.0 million in school construction grants over the biennium, a $127.0 million increase from base
  - Represents casino gaming revenue increase, excess FY 2026 casino revenues, and interest
- HB 334 (Rasoul) authorizes 1% local-option sales tax for school construction – localities could raise over $1.5 billion for school construction annually if adopted statewide
- Pauses additional Literary Fund loans due to lack of activity, allowing $172.0 million to be redirected to support teacher retirement costs

EARLY CHILDHOOD CARE AND EDUCATION

Child Care Subsidy Program (CCSP): $137.0 million increase over biennium

- Additional 11,591 slots for families making up to 85% of state median income
- Addresses the waitlist for birth-5 age group as of 12/1/25
- Language allows FY 2027 funds to carryforward to address any waitlist in FY 2028; without increasing program cost for next biennium

Employee Child Care Assistance Program: $25.0 million, one-time

- Implements HB 18 (McClure), establishing a child-care cost-sharing initiative among families, state, and employers, through FY 2030
- New program offers opportunity to explore program eligibility aligned to regional income variations – unlike CCSP, which is based on 85% statewide median income
- Family eligibility: Up to 125% of area median income
- Cost sharing: Family copayments – between 5% & 9% of family income; remaining cost shared between state (40%) and employer (60%)

HEALTH AND HUMAN RESOURCES

DSS: SNAP AND FOOD SECURITY

- $211.0 million GF in FY 2027 to fund the new cost share in SNAP benefits, assuming our error rate will remain above 10%
- $65.5 million GF in FY 2027 and $87.3 million GF in FY 2028 to fund the increase in SNAP admin costs per H.R. 1, including fully funding localities' costs
- $1.1 million GF in FY 2027 and $1.3 million GF in FY 2028 and 14 FTEs each year to fund a SNAP quality assurance team to find and correct SNAP payment errors before it can negatively impact the state's error rate
- $555,096 GF in FY 2027 and $605,559 GF in FY 2028 to increase salaries for SNAP quality control staff to be in line with other comparable positions within DSS
- $500,000 GF in FY 2027 to fund a statewide food desert mapping tool

CHILD WELFARE: $39.5 MILLION OVER THE BIENNIUM

Child Welfare Initiative ($ in millions)	FY 2027 GF	FY 2028 GF
Centralized Intake System for CPS	$7.5	$18.1
Salary Increase for LDSS Family Service Employees	3.5	3.5
Child Advocacy Centers	2.0	0
State Oversight of LDSS	0.7	2.7
Child Welfare Workforce	0.6	0.6
CPS Priority Response 1 for Children Under Three	0.2	0.2

CHILDREN'S SERVICES ACT

- $49.6 million GF and $14.0 million NGF in FY 2027 and $86.5 million GF and $16.0 million NGF in FY 2028 to fund the CSA forecast due to an increase in service cost and caseload

Cost Containment Strategies

- Savings of $10.8 million GF in FY 2027 and $11.8 million GF in FY 2028 by reducing the average state match rate for community-based services from 81% to 71%
- Savings of $3.4 million GF in FY 2027 and $3.7 million GF in FY 2028 by limiting the private day services growth rate to 2.5%
- Savings of $1.3 million GF and $2.3 million NGF in FY 2027 and $2.4 million GF and $4.3 million NGF in FY 2028 by eliminating the automatic inflationary adjustments for residential treatment providers

MITIGATE FEDERAL AND PROPOSED STATE REDUCTIONS

- Provides $79.1 million in premium assistance to those purchasing health insurance on state's health insurance exchange who are losing premium tax credits
  - Targeted at those with incomes between138% and 200% of the federal poverty level
  - Will buy down premiums by 70% on average
- $63.1 million GF and $162.7 million NGF to partially restore proposed cuts to Medicaid & FAMIS
  - $29.5 million GF and $47.6 million NGF for prenatal and postpartum coverage for immigrant women (full restoration)
  - $24.0 million GF and $105.1 million NGF for behavioral health community stabilization services (partial restoration)
  - $9.6 million GF and $10.0 million NGF for Applied Behavior Analysis (ABA) services for children age 5 and under
- Provides $45.0 million for core public health services in the Virginia Dept. of Health (VDH)
  - Communicable Disease Prevention and Control
  - Epidemiology
  - Ryan White Act Part B Program for HIV medications and services ($13.2 million over the biennium)

CONTINUE PROGRESS ON HEALTH PRIORITIES

- $11.4 million GF and $7.8 million NGF for Sickle Cell Disease initiatives
  - $7.0 million GF and $7.8 million NGF for Medicaid coverage of cell and gene therapy treatment
  - $4.4 million GF for bills addressing Sickle Cell Disease
    - HB 392 VDH screening program to include educational resources on cancers, related to sickle cell disease, including kidney cancer
    - HB 1391 Establishes Sickle Cell Coordinated Access Network
    - HB 1418 Establishes Sickle Cell Trait Awareness and Education Program
- $10.0 million GF for Free Clinics
- $4.2 million GF and $1.2 million NGF for maternal and child health programs (in addition to restoring FAMIS prenatal and postpartum care)
  - Maternal Infant Early Childhood Home Visiting Program
  - HB 425 Medicaid remote patient monitoring for pregnant women over age 35
  - HB 838 Codifies Medicaid doula care
  - HB 1398 Fetal and Infant Mortality Review Team
  - HB 1403 Severe Maternal Morbidity Surveillance & Review Program

OTHER INITIATIVES

DMAS/Medicaid

- $59.3 million GF and $66.5 million NGF for DD Waiver Rates
- $4.7 million GF and $33.2 million NGF for CoverVA Call Center & Eligibility Operations

Virginia Department of Health (VDH)

- $8.2 million GF in FY 2027 and $6.8 million GF in FY 2028 to complete and maintain electronic health records for local health departments

Dept. for Aging and Rehabilitative Services

- $6.0 million GF for services provided by Area Agencies on Aging
- $3.0 million GF for vocational rehabilitation services
  - Matches $11.1 million in federal funding
- $2.0 million GF for community brain injury services

MEDICAID GF SAVINGS

- $1.3 million to implement a single Pharmacy Benefit Manager for the Medicaid program
  - Reflects start up costs to procure a PBM and implement the contract
  - Adds requirements for developing and awarding the contract including issuing the RFP by Jan. 1, 2027 and awarding the contract by July 1, 2027
  - More significant cost savings are projected in the next biennium
- $9.7 million over the biennium by carving out 340B pharmacy claims from the Medicaid program
  - Requires institutional providers to forego the use of 340B discounted drugs for Medicaid patients, allowing the Medicaid program to realize drug rebates
- $30.3 million over the biennium by returning to 2025 managed care profit caps and underwriting gains

COMMERCE, AGRICULTURE AND NATURAL RESOURCES

HOUSING AFFORDABILITY AND HOMELESSNESS REDUCTION: $73.1 MILLION OVER BIENNIUM

EDIP: Allows the General Assembly to determine the repayment of a treasury loan authorized for Newport News to develop housing around the shipyard

DHCD: Allows due diligence work to be funded from the Manufactured Home Park Acquisitions Pilot

DHCD: Removes language authorizing use of RGGI funds for disaster relief

Program ($ in millions)	FY 2027	FY 2028
DHCD: Capitalizes the Virginia Housing Revolving Loan Fund (HB 820)	$25.0	-
DHCD: Additional support for Virginia Housing Trust Fund (currently $87.5 million/year)	12.5	-
DHCD: Increase support for Virginia Eviction Reduction Program (currently $3.5 million/year)	10.0	-
DHCD: Increase homelessness services funding in response to federal cuts (currently $1.8 million/year)	7.0	7.0
DHCD: Capitalizes the Virginia Residential Development Infrastructure Program (HB 196)	5.0	-
DHCD: Support for Local Housing Efforts in Fairfax and Prince William Counties and Fair Housing Enforcement through HOME Virginia	5.5	-
DHCD: Fund for Income-Qualified Energy Efficiency and Weatherization Task Force (HB 3), Statewide Housing Growth Targets (HB 804), and Manufactured Home Park Rental Act (HB 374)	0.5	0.5
Total	**$65.6**	**$7.5**

STATE COSTS FOR MAJOR LABOR INITIATIVES: $45.6 MILLION

Collective Bargaining Start-up Costs (HB 1263)

- Provides $20.0 million in fiscal year 2027 to fund the start-up costs associated with collective bargaining including the establishment of the Public Employee Relations Board and Virginia Home Care Authority

Raising the Minimum Wage (HB 1)

- Provides $14.5 million over the biennium to cover the cost of raising the minimum wage for state employees, constitutional offices, and home health care workers

Providing Paid Sick Leave (HB 5)

- Provides $11.1 million in fiscal year 2028 to provide paid sick leave to personal care attendants funded by Medicaid and the Department of Aging and Rehabilitative Services

Paid Family and Medical Leave Start-up Costs (HB 1207)

- Authorizes a treasury loan for the Virginia Employment Commission to establish a Paid Family and Medical Leave program
- Start-up costs estimated at $116.5 million over two years

LABOR LAW ENFORCEMENT AND WORKER PROTECTIONS

Increase Capacity at DOLI for Wage, Leave, and Non-Compete Enforcement

- Adds $3.5 million in fiscal year 2027 and $3.5 million in fiscal year 2028 to increase labor law enforcement activities at Department of Labor and Industry (DOLI), allowing the agency to hire 25 new positions
- Provides $3.1 million over the biennium to develop a comprehensive case management system
- Funds House Bills: 5, 20, 238, 260, 339, 627, 636, 670, 675, 923, 930, 944, 1218

Staff for Paid Sick Leave Enforcement (HB 5)

- Provides $2.1 million in fiscal year 2028 for DOLI to hire 14 additional positions to investigate complaints related to paid sick leave policies (systems costs included above)

Prevailing Wage Survey and Certified Payrolls (HB 569)

- Adds $2.1 million in fiscal year 2027 and $0.4 million in fiscal year 2028 for DOLI to develop a system to collect certified payrolls from contractors subject to prevailing wage requirements and determine prevailing wage rates based on Virginia specific data

Heat Stress Regulations (HB 1092)

- Adds $0.6 million over the biennium for DOLI to develop regulations to protect workers from heat related illness and injury

ECONOMIC DEVELOPMENT AND BUSINESS SUPPORT

VEDP: Adds $10 million to Virginia Business Ready Sites Program

VTA: Language amendment increases the maximum grant awards from the Governor's New Airline Service Fund

EDIP: Includes $5 million for Virginia Beach for the Atlantic Park Development

Part 3: Reverts $80 million from the Business Ready Sites Acquisition Fund

Economic Development Project ($ in Millions)	FY 2027	FY 2028
AWS: Cloud Computing Cluster Infrastructure Grant Fund	$0.0	$7.7
Wells Fargo: Financial Services Expansion Grant Fund	1.4	1.5
Micron: Current and Mature Semiconductor Technology Grant Fund	1.4	4.5
Microporous: Lithium-Ion Battery Separator Manufacturing Fund	0.7	0.9
Lego: Precision Plastics Manufacturing Grant Fund	5.9	7.5
Eli Lilly: Legislation Approving Project to be considered in 2026 Session, MEI approved (HB 800 | SB 404)	0.5	2.6
Hitachi: Legislation Approving Project to be considered in 2026 Session, MEI approved (HB 799 | SB 403)	0.3	3.7
AstraZeneca: Legislation Approving Project to be considered in 2026 Session, MEI approved (HB 1076 | SB 527)	2.8	10.0
Project Jolt: MEI Approved	-	4.1
Project Volare: MEI Approved	-	2.3
Total	**$13.0**	**$44.8**
Virginia Investment Partnership Grant	*$0.3*	*$4.3*
Virginia Economic Development Incentive Grant	*$2.9*	*$1.8*

LIFE SCIENCES RESEARCH EFFORTS

Virginia Institute for Biotechnology at UVA

- Provides an additional $6.0 million for the development of the Virginia Institute for Biotechnology at UVA - total GF resources committed to the project = $88.5 million
- Adds language allowing existing and new resources to be used to complete the building

Virginia Tech Patient Research Center

- Provides an additional $6.0 million for the development of the Virginia Tech Patient Research Center – total GF resources committed to the project = $32.5 million

VCU's Medicines for All Institute

- Provides an additional $3.0 million for the development of VCU's Medicines for All Institute – total GF resources committed to the project = $16.0 million

Development of a Fast-Acting Insulin

- Provides an additional $2.0 million for a non-profit company to develop a fast-acting insulin - total GF resources committed the project = $5.0 million

WATER QUALITY

- Deposits $252.0 million from all funds into the Water Quality Improvement Fund in FY 2027. Deposit comprised of:
  - $107.9 million GF for mandatory Part A and Part B deposit based on FY 2025 year-end
  - $58.0 million NGF from accrued NRCF interest earnings
  - $83.9 million NGF from balances of WQIF Reserve
- Of this amount, $242.9 million for the Natural Resources Commitment Fund
  - $147.9 million for Ag BMPs within the Chesapeake Bay watershed
  - $63.4 million for Ag BMPs outside the Chesapeake Bay watershed
  - $31.6 million for technical assistance provided by SWCD offices
- $2.0 million GF in FY 2027 for the Virginia Conservation Assistance Program (VCAP)

WATER QUALITY

- $329.5 million GF in FY 2027 is deposited for the state share of wastewater treatment plant improvements
- $50.0 million GF in FY 2027 to support the ongoing costs of the Richmond Combined Sewer Overflow Project
- $43.5 million GF in FY 2027 for the Stormwater Local Assistance Fund to support grants to localities for municipal separate storm sewer system (MS4) improvements

DEPARTMENT OF ENVIRONMENTAL QUALITY

- $1.3 million GF over the biennium and five positions for PFAS monitoring
- $600,000 GF for costs related to the hazardous substance storage tanks program
- $500,000 to support a PFAS disposal alternatives analysis
- $250,000 for study of use of standby generators by permitted commercial facilities pursuant to House Bill 1502
- $200,000 GF to support study of groundwater supply in Western Loudoun and Fauquier
- $200,000 to expand litter tax study pursuant to House Bill 1011

OTHER SPENDING ACTIONS

Secretary of Natural and Historic Resources

- $1.5 million GF in FY 2027 for the nonfederal match of U.S. Army Corps study of Chincoteague Inlet erosion and widening issues

Department of Wildlife Resources

- $796,000 NGF in FY 2027 to reflect costs of providing 2% raise for state employees

Department of Historic Resources

- $5.8 million GF in FY 2027 to support 9 Virginia historic and cultural attractions
- $2.0 million GF in FY 2027 provided for the Black, Indigenous, and People of Color (BIPOC) Historic Preservation Grant Program
- $230,000 GF each year and 2 positions to address easement backlog

AG & FORESTRY AGENCIES

VDACS

- $4 million GF in FY 2027 to support the Virginia Agricultural Food Assistance Program and Virginia Fresh Match
- $2.0 million GF over the biennium and seven positions to support provisions of House Bills

Department of Forestry

- $498,000 over the biennium to backfill loss of federal funds used to support community forestry programs

HIGHER EDUCATION

COLLEGES AND UNIVERSITIES
$276.2 MILLION OVER THE BIENNIUM

- Affordable Access and Tuition Moderation - $132.7 million
- Workforce Development - $50.6 million
  - VCCS CTE - $30.0 million (focus on healthcare sector)
  - Nursing at JMU, UMW & Radford - $7.6 million
  - VT Med School - $13.0 million
- HBCU Partnership - $50.0 million
- Undergraduate Financial Aid - $15.0 million
- Academic, Administrative & Financial Systems - $9.6 million
- Institution-specific initiatives - $18.3 million

VIMS AND EXTENSION

- VIMS - $3.7 million
  - Menhaden Research Study - $2.0 million
  - Sea Grant - $0.9 million
  - Operating Support - $0.8 million
- VT Extension - $1.0 million
- VSU Extension – operating support and small farm outreach

HIGHER EDUCATION CENTERS
$7.1 MILLION OVER THE BIENNIUM

- New College Institute
  - Name change (HB 430) West Piedmont HEC
  - Restore 2nd year funding
  - Transfer fiscal agent responsibility for Philpott Manufacturing / GenEdge includes restoration of Chapter 725 funding
- Institute for Advanced Learning & Research GOTEC - $4.7 million
- Roanoke HEC - $440,000
- Southern Va HEC - $500,000
- Southwest Va HEC - $400,000

SCHEV
$45.7 MILLION OVER THE BIENNIUM

- Workforce Credential Grant - $32.5 million
- Maintain VTAG Award at $5,250 - $6.0 Million
- VTAG Supplement for Hispanic Serving Inst - $3.6 million
- VMSDEP Stipends - $2.5 million in FY 28
- Student grants Virginia University – Lynchburg - $2.0 million
- Virtual Library (VIVA) - $1.1 million
- Balances internship funding to support Internship Virginia
  - $2.0 million transfer to VEDP
  - DHRM internship coordinator (HB 54)

MAJOR LANGUAGE ITEMS

- Menhaden Research Study
- GMU-Averett Partnership
- GMU State Climatologist
- UMW Partnership with Mary Washington Healthcare
- UVA Diabetes information
- O/S Tuition Flexibility
- Technical clarifications for foster student grants
- Richard Bland Level II pilot

TRANSPORTATION AND PUBLIC SAFETY

GENERAL FUND SPENDING

DRPT

- Recommends $153.0 million in operating support for the Washington Metropolitan Area Transit Authority in FY 2027
  - Half the funding would be carried forward for support in FY 2028
- Includes $300,0000 GF in FY 2027 to support joint subcommittee study concerning public transit in Hampton Roads (HJ 28)

VDOT

- Provides $7.0 million GF in FY 2027 to support improvements for Route 460 as part of the Virginia Coalfields Expressway Project

Port

- Includes $2.0 million to complete the project design of the proposed inland port in Washington County

NGF SPENDING AMENDMENTS

DRPT

- Includes language providing $10.0 million from the Transportation Partnership Opportunity Fund for the demolition of a parking garage at the Huntington Metrorail Station
  - Funding contingent on the commitment of local or regional resources sufficient to complete the demolition

Department of Aviation

- Proposes the transfer of $1.0 million in fiscal year 2027 from the Commonwealth Development Opportunity Fund to support the continued development of Advanced Air Aviation Test Sites.

VDOT

- Provides $50,000 NGF each year is to provided for sponsorship of the annual Public Policy Day (formerly Mobility Talks International) at the Washington, DC Auto Show."

LANGUAGE AMENDMENTS

- **Secretary of Transportation**
  - Evaluate Options to Accelerate I-81 Projects; including tolling options as long as there are 2 toll-free lanes in each direction
  - Work with Maryland and DC to evaluate reciprocity related to tickets and registering vehicles
- **VDOT**
  - Amends language requiring MEI Commission approval prior to the release of TPOF funds for certain projects
- **DRPT**
  - Allows DRPT to use reserves from the Commonwealth Mass Transit Fund to provide short-term loans to transit entities to backstop federal 5310 and 5311 funds if these funds are delayed due to a federal shutdown

DEPARTMENT OF CORRECTIONS

- $28.9 million GF in FY 2027 and $30.8 million GF in FY 2028 for increased costs of inmate medical services
- $2.2 million GF over the biennium for full rollout of body cameras at Red Onion and Wallens Ridge State Prisons
- $2.4 million GF over the biennium to support more than two dozen House Bills passed this Session
- For the Parole Board, $1.9 million GF over the biennium and 11 positions pursuant to HB 193 and HB 318
- $1.5 million GF in FY 2027 to support 4 jail renovation and upgrade projects

VIRGINIA STATE POLICE

- $81.1 million GF over the biennium to address operational and personnel costs
- Language establishes financial reporting requirements for the Department
  - Goal is to ensure base appropriation in future years is able to fully meet the Department's operating needs
  - Language requires a comprehensive financial audit, establishes a process for requesting approval for changes in the agency's compensation structure, and delays the commencement of the 146th Basic Session until October 1, 2027
- $9.3 million GF each year for Phase 2 of the Department's ongoing VITA transformation process
- $802,000 GF over the biennium and 2 positions pursuant to the provisions of HB 19, HB 642, HB 964, HB 1015, and HB 1096

DEPARTMENT OF CRIMINAL JUSTICE SERVICES

- $10.0 million GF increase each year for the Safer Communities Program
  - Expands program to the Cities of Danville, Hampton, Hopewell, Newport News, and Petersburg
  - The Cities of Norfolk, Portsmouth, Roanoke, and Richmond already are eligible
  - With the expansion, the nine localities with the highest levels of gun violence in the Commonwealth will be eligible for the program
- Eliminates language establishing the Operation Ceasefire Grant Program and associated funding
- $6.0 million GF each year to backfill reductions in federal support for Sexual and Domestic Violence Victim Programs
- $2.9 million GF each year to increase support for the Court Appointed Special Advocates program for the first time since FY 2008

CAPITAL OUTLAY AND GENERAL GOVERNMENT

$2.0 BILLION GF FOR HOUSE CAPITAL PRIORITIES

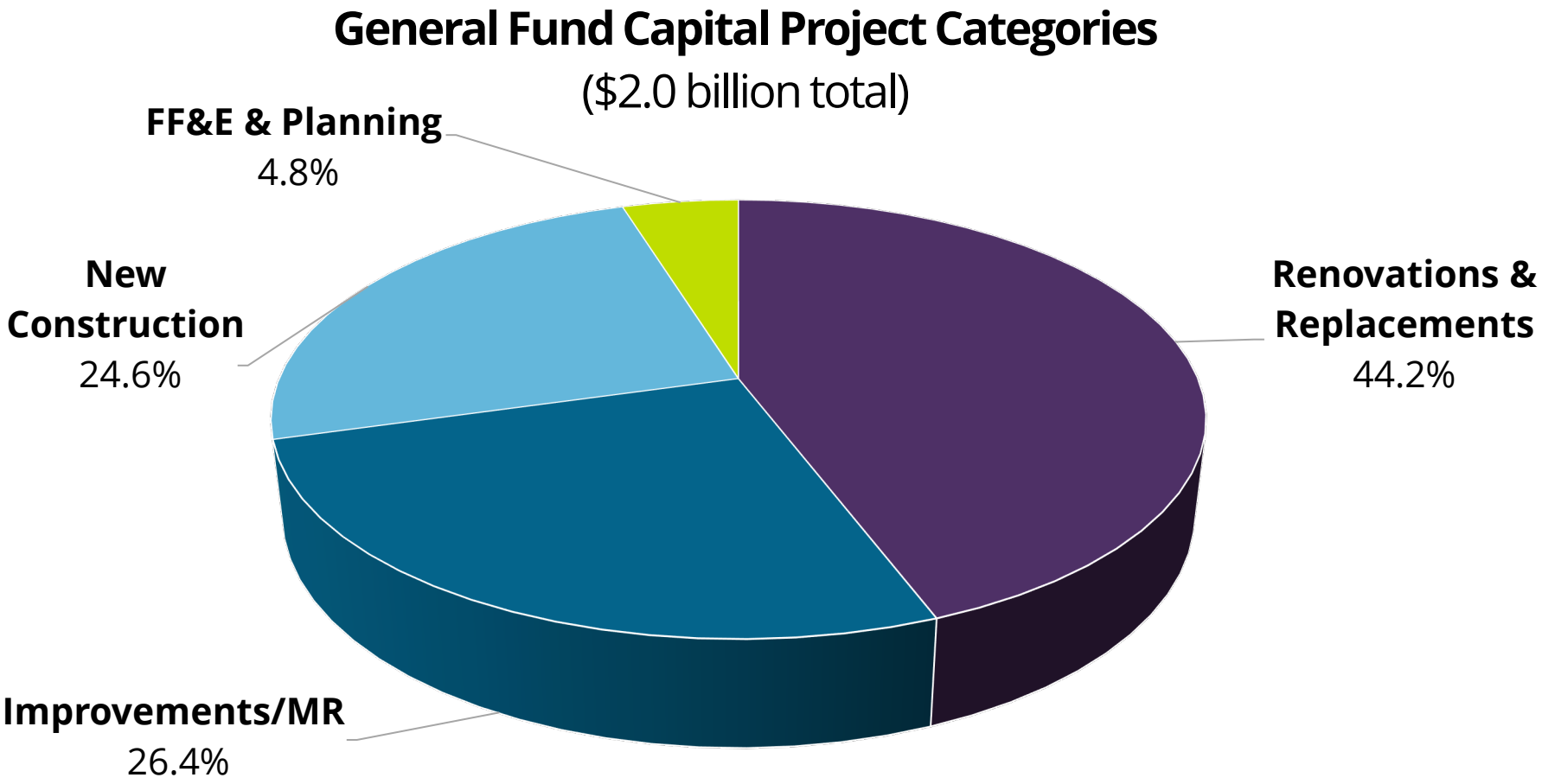
Capital Outlay Funding in HB 30 ($ in millions)	
General Fund Cash	$884.0
General Fund Bonds	1,110.0
Nongeneral Fund Cash	524.7
9(d) Nongeneral Fund Bonds	112.4
Total	**$2,630.8**

- Nearly $2.0 billion GF-supported (cash and/or tax-supported debt)
- Includes over $100 million in reprioritized spending while resulting in a net savings of $6.0 million general fund compared to HB 30 as introduced

GF CAPITAL HIGHLIGHTS

- $1.4 billion for a construction pool of 14 projects
  - 12 are for institutions of higher education
- $400.0 million for maintenance reserve (MR) in FY 2027
- House Budget additions of note:
  - $33.0 million for a new state agency building to include childcare center
  - $25.0 million to begin installing HVAC in prisons
  - $10.3 million for FF&E for a project at NSU
  - Increased MR funding to address deferred maintenance at institutions of higher education
- Restores higher education and state agency projects vetoed by Governor Youngkin

OVER 70% OF GF SPEND IMPROVES CURRENT FACILITIES



OTHER NOTABLE CAPITAL ITEMS

- **Planning pool:** $1.0 million for six projects
  - Four at institutions of higher education: W&M, UVA, UVA-W
- **FF&E**: $51.7 million in a pool for 8 projects nearing completion and $12.0 million for workforce development equipment
- **NGF capital**: $637.2 million; includes improvements at the Virginia Port Authority, a new business building at VT, various auxiliary projects at JMU, and VCCS facility upgrades
  - Of the total NGF, $112.4 million is NGF-supported 9(d) bonds
- **Language**:
  - Authorizes the Six-PAC to require project owners to provide NGF or reduce project scope if they cause delays that increase project costs
  - Increases MR threshold
  - Requires Tier III higher ed to notify the Six-PAC of NGF E&G projects

GENERAL FUND HIGHLIGHTS

- **Federal Unanticipated Contingency Fund:** $200.0 million
  - $75.0 million the first year and $125.0 million the second year available to address unanticipated reductions in federal funding
- **Debt Service Payments:** $67.9 million
- **Courts**: $75.0 million
  - $48.3 million: Criminal Fund; includes raising Guardian Ad Litem fees
  - $16.1 million: IT programs, including upgrading the Court of Appeals Case Management System & Court Reminder Program
  - $10.6 million: 10 judges: 6 District/Circuit, 4 Court of Appeals
- **Office of the Attorney General:** $12.5 million
  - 19 positions for new Federal Litigation & Worker Protection Units, fund legislation, and address compression issues

COMPENSATION AND RETIREMENT

ACROSS THE BOARD SALARY INCREASES – 2% EACH YEAR

- 2% salary increase in both years – Subcommittee recommendations include salary adjustments proposed in the introduced budget
  - $254.0 million GF in FY 2027 and $532.2 million in FY 2028 to fund a 2% salary increase at the beginning of each fiscal year for State employees, State supported local employees and SOQ Fund positions

($ in millions)	FY 2027	FY 2028
State Employees	$92.5	$203.8
Adjunct Faculty and Teaching Assistants	3.9	8.6
State Supported Local Employees	30.40	64.2
SOQ Funded Positions	127.2	255.6
Total	**$254.0**	**$532.2**

STATE EMPLOYEE HEALTH INSURANCE

- Recommends $80.0 million GF in FY 2027 for a lump sum deposit to replenish the State Employee Health Insurance Fund
- Provides $99.4 million GF in FY 2027 and $144.1 million GF in FY 2028 to support a 12.96% increase in premiums for the state employee health insurance program effective July 1, 2026 and an additional increase of 5% effective July 1, 2027
- Actuarial analysis assumes 19.2% increase in premiums in FY 2027 but several plan design changes are proposed to reduce the level of increase

OTHER AMENDMENTS

- Office of Attorney General Compression Adjustment – Includes $3.5 million GF each year to implement pay plan for Attorneys at the OAG

- Increase Compensation for Legislators – Includes $2.1 million GF in FY 2028 to increase salaries for elected members of the General Assembly up to $45,000 per year effective in January of 2028
  - Language ties future adjustments to state employee pay raise effective after the next Senate election
  - The last increase for legislative pay was in 1988

- Modernize State Employee Job Classification System – $500,000 GF in FY 2027 for the Department of Human Resource Management to examine the options for modernizing the Commonwealth's job classification system
  - Language requires the Department to make recommendations by November 30, 2026

GF AMENDMENTS TIED TO LEGISLATION

	FY 2027	FY 2028	Total
HB 393 (Askew) – Cancer Screenings for Firefighters	$2,000,000	$0	$2,000,000
HB 865 (Cousins) – Include Lung Cancer & Non-Hodgkin's lymphoma in Cancer Presumption	0	90,100	90,100
HB 1182 (Thomas) - Health Insurance Coverage for OTC Contraceptives	330,650	330,650	661,300
HB 795 (Reaser) – Health Insurance Coverage for Opioid Antagonist used for Overdose Reversal	30,000	30,000	60,000
Total	**$2,360,650**	**$450,750**	**$2,811,400**