2016 SESSION

VIRGINIA ACTS OF ASSEMBLY - CHAPTER 732

An Act to amend and reenact Chapter 665 of the 2015 Acts of Assembly, which appropriated the public revenues and provided a portion of such revenues for the two years ending, respectively, on the thirtieth day of June, 2015, and the thirtieth day of June, 2016.

[H 29]

Approved - April 10, 2016

Be it enacted by the General Assembly of Virginia:

1. That Items 6, 25.20, 32, 40, 41, 42, 44, 50, 67, 70, 76, 81, 82, 87, 101, 102, 135, 136, 226, 241, 261, 276, 279, 290, 298, 300, 301, 303, 304, 307, 308, 312, 332, 334, 335, 336, 337, 338, 339, 341, 342, 343, 352, 369, 372, 379, 384, 385, 389, 398, 400, 401, 406, 425, 433, 442, 443, 444, 445, 446, 447, 448, 449, 458, 461, 465, 467, 468, 476, 479, 482, 484, C-41, § 3-1.01, § 3-3.03, § 3-5.03, and § 4-6.01 of Chapter 665 of the 2015 Acts of Assembly, be hereby amended and reenacted.

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

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

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

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

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

	First Year	Second Year	Total
Unreserved Balance, June 30, 2014	~~$405,810,000~~ *$835,153,067*		~~$405,810,000~~ *$835,153,067*
Additions to Balance	($219,394,360)	~~$1,900,446~~ *($425,117,598)*	~~($217,493,914)~~ *($644,511,958)*
Official Revenue Estimates	$17,186,022,255	~~$17,720,628,857~~ *$18,309,047,069*	~~$34,906,651,112~~ *$35,495,069,324*
Revenue Stabilization Fund	$470,000,000	$235,000,000	$705,000,000
Transfers	$644,994,561	~~$564,512,975~~ *$571,980,613*	~~$1,209,507,536~~ *$1,216,975,174*
Total General Fund Resources Available for Appropriation	~~$18,487,432,456~~ *$18,916,775,523*	~~$18,522,042,278~~ *$18,690,910,084*	~~$37,009,474,734~~ *$37,607,685,607*

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

	First Year	Second Year	Total
Balance, June 30, 2014	$4,945,503,350		$4,945,503,350
Official Revenue Estimates	$25,734,466,497	~~$26,305,964,356~~ *$26,467,368,074*	~~$52,040,430,853~~ *$52,201,834,571*
Lottery Proceeds Fund	$557,555,450	~~$531,667,925~~ *$538,955,547*	~~$1,089,223,375~~ *$1,096,510,997*
Internal Service Fund	$1,771,892,976	~~$1,801,509,481~~ *$1,908,509,481*	~~$3,573,402,457~~ *$3,680,402,457*
Bond Proceeds	$792,874,586	$248,608,000	$1,041,482,586
Total Nongeneral Fund			

Revenues Available for Appropriation	$33,802,292,859	~~$28,887,749,762~~ *$29,163,441,102*	~~*$62,690,042,621*~~ *$62,965,733,961*
TOTAL PROJECTED REVENUES	~~$52,289,725,315~~ *$52,719,068,382*	~~$47,409,792,040~~ *$47,854,351,186*	~~$99,699,517,355~~ *$100,573,419,568*

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

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

§ 6. When used in this act the term:

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

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

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

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

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

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

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

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

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

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

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

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

BIENNIUM 2014-16

	General Fund	**Nongeneral Fund**	**Total**
OPERATING EXPENSES	~~$36,862,786,001~~ *$37,200,730,810*	~~$58,629,837,945~~ *$59,325,657,561*	~~$95,492,623,946~~ *$96,526,388,371*
LEGISLATIVE DEPARTMENT	$150,877,301	~~$6,779,589~~ *$7,129,424*	~~$157,656,890~~ *$158,006,725*
JUDICIAL DEPARTMENT	~~$908,038,408~~ *$908,581,497*	~~$68,425,968~~ *$68,494,696*	~~$976,464,376~~ *$977,076,193*
EXECUTIVE DEPARTMENT	~~$35,801,469,713~~ *$36,139,746,728*	~~$57,558,996,772~~ *$58,248,917,525*	~~$93,360,466,485~~ *$94,388,664,253*
INDEPENDENT AGENCIES	~~$2,400,579~~ *$1,525,284*	~~$995,635,616~~ *$1,001,115,916*	~~$998,036,195~~ *$1,002,641,200*
STATE GRANTS TO NONSTATE AGENCIES	$0	$0	$0
CAPITAL OUTLAY	$141,618,476	$1,329,915,402	$1,471,533,878

EXPENSES			
TOTAL	~~$37,004,404,477~~ *$37,342,349,286*	~~$59,959,753,347~~ *$60,655,572,963*	~~$96,964,157,824~~ *$97,997,922,249*

§ 8. This chapter shall be known and may be cited as the "2016 Amendments to the 2015 Appropriation Act."

ITEM 1.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016

PART 1: OPERATING EXPENSES

LEGISLATIVE DEPARTMENT

1. Not set out.

2. Not set out.

3. Not set out.

4. Not set out.

5. Not set out.

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

6.	Legislative Research and Analysis (78400)			$6,451,460	~~$6,187,288~~ *$6,537,123*
	Bill Drafting and Preparation (78401)	$6,451,460	~~$6,187,288~~ *$6,537,123*		
	Fund Sources: General	$6,166,977	$6,167,260		
	Special	$284,483	~~$20,028~~ *$369,863*		

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

A. Out of this appropriation shall be paid the annual salary of the Director, Division of Legislative Services, $154,288 from July 1, 2014, to June 24, 2015 and $154,288 from June 25, 2015, to June 30, 2016.

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

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

D. The Director of the Division of Legislative Services is authorized to expend up to $25,000 in the first year and $25,000 the second year of the general fund amounts appropriated for this item to support costs associated with the 2015 national conference of the Uniform Law Commission which will be held in Williamsburg Virginia in July of 2015.

E. The Division of Legislative Services is hereby directed to lead a technical staff working group, including staff of the Joint Commission on Technology and Science, the Joint Legislative Audit and Review Commission (JLARC), the Office of the Secretary of Technology, the Virginia Information Technologies Agency (VITA), and the Office of the Attorney General, and others as may be deemed appropriate to review VITA's existing responsibilities, as set forth in the Code of Virginia, in uncodified Acts of Assembly, and in the Appropriation Act. The working group shall develop legislation that reorganizes, clarifies, and codifies, but does not substantively amend, such responsibilities. The technical working group shall present its proposal to JLARC no later than November 1, 2015, so that it may be considered for introduction at the 2016 Session of the General Assembly.

F. Included in this item is $264,462 the first year *and $349,835 the second year* from dedicated special revenue to implement the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee.

Total for Division of Legislative Services			**$6,451,460**	**~~$6,187,288~~** ***$6,537,123***
General Fund Positions	56.00	56.00		
Position Level	56.00	56.00		

ITEM 6.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Fund Sources: General	$6,166,977	$6,167,260		
	Special	$284,483	~~$20,028~~ *$369,863*		
7.	Not set out.				
8.	Not set out.				
9.	Not set out.				
10.	Not set out.				
11.	Not set out.				
12.	Not set out.				
13.	Not set out.				
14.	Not set out.				
15.	Not set out.				
16.	Not set out.				
17.	Not set out.				
18.	Not set out.				
19.	Not set out.				
20.	Not set out.				
21.	Not set out.				
22.	Not set out.				
23.	Not set out.				
24.	Not set out.				
25.	Not set out.				
25.10	Not set out.				
	Virginia Conflict of Interest and Ethics Advisory Council (876)				
25.20	Personnel Management Services (70400)			$0	$393,000
	Fund Sources: General	$0	$393,000		
	Authority: Chapters 792 and 804 of the 2014 Acts of Assembly.				
	Total for Virginia Conflict of Interest and Ethics Advisory Council			**$0**	**$393,000**
	General Fund Positions	0.00	~~3.00~~ *5.00*		
	Position Level	0.00	~~3.00~~ *5.00*		
	Fund Sources: General	$0	$393,000		
25.30	Not set out.				
25.40	Not set out.				
	Grand Total for Division of Legislative Services			**$10,191,421**	~~**$8,112,816**~~ ***$8,462,651***
	General Fund Positions	62.50	~~67.50~~ *69.50*		

ITEM 25.40.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Position Level	62.50	~~67.50~~ *69.50*		
	Fund Sources: General	$9,282,771	$7,968,581		
	Special	$908,650	~~$144,235~~ *$494,070*		
26.	Not set out.				
27.	Not set out.				
28.	Not set out.				
29.	Not set out.				
30.	Not set out.				
31.	Not set out.				

§ 1-2. LEGISLATIVE DEPARTMENT REVERSION CLEARING ACCOUNT (102)

32.	Across the Board Reductions (71400)			($194,600)	($194,600)
	Across the Board Reduction (71401)	($194,600)	($194,600)		
	Fund Sources: General	($194,600)	($194,600)		

Authority: Discretionary Inclusion.

A. On or before June 30, 2015, the Committee on Joint Rules shall authorize the reversion to the general fund of $1,017,084 from the appropriation for the Auditor of Public Accounts (agency 133).

B. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert an amount of $500,000 from the House of Delegates and $500,000 from the Senate of Virginia.

C. On or before June 30, 2015, the Committee on Joint Rules shall authorize the reversion to the general fund of $2,395,112, representing savings generated by legislative agencies in the first year. The total savings amount includes estimated savings within legislative agencies of:

Legislative Agency	**Estimated Savings**
Division of Legislative Services (107)	$400,000
Division of Legislative Automated Systems (109)	$794,065
Virginia Disability Commission (837)	$18,163
Joint Commission on Health Care (844)	$35,000
Joint Commission on Technology and Science (847)	$109,498
Virginia Sesquicentennial of the American Civil War Commission (859)	$1,027,950
Small Business Commission (862)	$10,436

D. On or before June 30, 2016, the Committee on Joint Rules shall authorize the reversion to the general fund of $1,425,264, representing savings generated by legislative agencies in the second year. The total savings amount includes estimated savings within the following legislative agencies:

Legislative Agency	***Estimated Savings***
Auditor of Public Accounts (133)	*$375,264*
Division of Legislative Services (107)	*$950,000*
Division of Legislative Automated Systems (109)	*$100,000*

33.	Not set out.		
	Total for Legislative Department Reversion Clearing Account	**$165,715**	**$165,715**

ITEM 33.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
General Fund Positions	1.00	1.00		
Position Level	1.00	1.00		
Fund Sources: General	$165,715	$165,715		
TOTAL FOR LEGISLATIVE DEPARTMENT			**$79,811,848**	~~**$77,845,042**~~ ***$78,194,877***
General Fund Positions	579.50	~~584.50~~ *586.50*		
Nongeneral Fund Positions	29.50	29.50		
Position Level	609.00	~~614.00~~ *616.00*		
Fund Sources: General	$76,040,249	$74,837,052		
Special	$3,518,378	~~$2,754,737~~ *$3,104,572*		
Trust and Agency	$115,708	$115,717		
Federal Trust	$137,513	$137,536		

ITEM 34.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016

JUDICIAL DEPARTMENT

§ 1-3. SUPREME COURT (111)

34. Not set out.

35. Not set out.

36. Not set out.

37. Not set out.

38. Not set out.

39. Not set out.

General District Courts (114)

40.	Pre-Trial, Trial, and Appellate Processes (32100)			$102,790,634	~~$104,197,501~~ *$104,644,473*
	Trial Processes (32103)	$83,418,729	$84,355,483		
	Other Court Costs And Allowances (Criminal Fund) (32104)	$14,562,376	$15,032,489		
	Involuntary Mental Commitments (32105)	$4,809,529	~~$4,809,529~~ *$5,256,501*		
	Fund Sources: General	$102,790,634	~~$104,197,501~~ *$104,644,473*		

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

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

1. The annual salaries of all General District Court judges, $146,599 from July 1, 2014, to November 24, 2014, $146,599 from November 25, 2014, to November 24, 2015, and $146,599 from November 25, 2015, to June 30, 2016. Such salary shall be 90 percent of the annual salary fixed by law for judges of the Circuit Courts and shall represent the total compensation for General District Court Judges and incorporate all supplements formerly paid by the various localities.

2. The salaries of substitute judges and court personnel.

B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2014, in the appropriation made in Item 43, Chapter 806, Acts of Assembly of 3 in the item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2015.

C. Any balance, or portion thereof, in the item detail Involuntary Mental Commitments, may be transferred between Items 39, 40, 41, and 298, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

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

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

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

ITEM 40.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	G. Upon the retirement or separation from employment of any chief general district court clerks from the 7th judicial district or the 13th judicial district, any vacant chief clerk positions in excess of one chief clerk for each general district court shall be reallocated by the Committee on District Courts to district courts with the highest documented unmet staffing requirements.				
	Total for General District Courts			**$102,790,634**	~~**$104,197,501**~~ ***$104,644,473***
	General Fund Positions	1,056.10	1,056.10		
	Position Level	1,056.10	1,056.10		
	Fund Sources: General	$102,790,634	~~$104,197,501~~ *$104,644,473*		
	Juvenile and Domestic Relations District Courts (115)				
41.	Pre-Trial, Trial, and Appellate Processes (32100)			$89,233,072	~~$91,092,639~~ *$91,120,617*
	Trial Processes (32103)	$58,543,470	$59,498,266		
	Other Court Costs And Allowances (Criminal Fund) (32104)	$30,374,034	$31,278,805		
	Involuntary Mental Commitments (32105)	$315,568	~~$315,568~~ *$343,546*		
	Fund Sources: General	$89,233,072	~~$91,092,639~~ *$91,120,617*		

Authority: Article VI, Section 8, Constitution of Virginia; §§ 16.1-69.1 through 16.1-69.58, 16.1-226 through 16.1-334, 19.2-163 and 37.1-67.1 et seq., Code of Virginia.

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

1. The annual salaries of all full-time Juvenile and Domestic Relations District Court Judges, $146,599 from July 1, 2014, to November 24, 2014, $146,599 from November 25, 2014, to November 24, 2015, and $146,599 from November 25, 2015, to June 30, 2016. Such salary shall be 90 percent of the annual salary fixed by law for judges of the Circuit Courts and shall represent the total compensation for Juvenile and Domestic Relations District Court Judges.

2. The salaries of substitute judges and court personnel.

B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2014, in the appropriation made in Item 44, Chapter 806, Acts of Assembly of 2013, in the Item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2015.

C. Any balance, or portion thereof, in the Item detail Involuntary Mental Commitments, may be transferred between Items 40, 41, 42, and 298, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

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

E. Notwithstanding any other provision of law, when a Guardian ad Litem is appointed for a child by the Commonwealth, the juvenile and domestic relations district court or the circuit court, as the case may be, shall order the parent, parents, adoptive parent or adoptive parents of the child, or another party with a legitimate interest therein who has filed a petition with the court to reimburse the Commonwealth the costs of such services in an amount not to exceed the amount awarded the Guardian ad Litem by the court. If the court determines such party is unable to pay, the required reimbursement may be reduced or eliminated. In addition, it is the intent of the General Assembly that the Supreme Court actively administer the Guardian ad Litem program to ensure that payments made to

ITEM 41.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Guardians ad Litem do not exceed that which is required. The Executive Secretary of the Supreme Court shall report August 1 and January 1 of each year to the Chairmen of the House Appropriations and Senate Finance Committees on the amounts paid for Guardian ad Litem purposes, amounts reimbursed by parents and/or guardians, savings achieved, and management actions taken to further enhance savings under this program.				
	F. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $870,000 the first year and not to exceed $870,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission for the administration of the physical evidence recovery kit (PERK) program.				
	Total for Juvenile and Domestic Relations District Courts			**$89,233,072**	**~~$91,092,639~~ *$91,120,617***
	General Fund Positions	617.10	617.10		
	Position Level	617.10	617.10		
	Fund Sources: General	$89,233,072	~~$91,092,639~~ *$91,120,617*		
	Combined District Courts (116)				
42.	Pre-Trial, Trial, and Appellate Processes (32100)			$24,431,065	~~$24,702,502~~ *$24,770,641*
	Trial Processes (32103)	$15,639,406	$15,681,147		
	Other Court Costs And Allowances (Criminal Fund) (32104)	$7,410,902	$7,640,598		
	Involuntary Mental Commitments (32105)	$1,380,757	~~$1,380,757~~ *$1,448,896*		
	Fund Sources: General	$24,431,065	~~$24,702,502~~ *$24,770,641*		
	Authority: Article VI, Section 8, Constitution of Virginia, §§ 16.1-69.1 through 16.1-137, 16.1-226 through 16.1-334, 19.2-163, and 37.1-67.1 et seq., Code of Virginia.				
	A. Out of the amounts in this Item for Trial Processes shall be paid the salaries of substitute judges and court personnel.				
	B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2014, in the appropriation made in Item 45, Chapter 806, Acts of Assembly of 2013, in the item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2015.				
	C. Any balance, or portion thereof, in the Item detail Involuntary Mental Commitments, may be transferred between Items 40, 41, 42, and 298, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.				
	D. The appropriation in this Item for Other Court Costs and Allowances shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.				
	E. Out of the amount appropriated from the general fund for Other Court Costs and Allowances (Criminal Fund) in this Item, there shall be transferred an amount not to exceed $95,000 the first year and not to exceed $95,000 the second year to the Criminal Injuries Compensation Fund, administered by the Virginia Workers' Compensation Commission, for the administration of the physical evidence recovery kit (PERK) program.				
	Total for Combined District Courts			**$24,431,065**	**~~$24,702,502~~ *$24,770,641***
	General Fund Positions	204.55	204.55		
	Position Level	204.55	204.55		

ITEM 42.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Fund Sources: General	$24,431,065	~~$24,702,502~~ *$24,770,641*		
43.	Not set out.				
	Grand Total for Supreme Court			**$412,113,664**	~~**$413,315,199**~~ ***$413,858,288***
	General Fund Positions	2,708.71	2,708.71		
	Nongeneral Fund Positions	6.00	6.00		
	Position Level	2,714.71	2,714.71		
	Fund Sources: General	$401,379,085	~~$402,576,141~~ *$403,119,230*		
	Special	$308,655	$308,655		
	Dedicated Special Revenue	$9,000,000	$9,000,000		
	Federal Trust	$1,425,924	$1,430,403		
	§ 1-4. BOARD OF BAR EXAMINERS (233)				
44.	Regulation of Professions and Occupations (56000)			$1,500,077	~~$1,500,328~~ *$1,569,056*
	Lawyer Regulation (56019)	$1,500,077	~~$1,500,328~~ *$1,569,056*		
	Fund Sources: Special	$1,500,077	~~$1,500,328~~ *$1,569,056*		
	Authority: Title 54.1, Chapter 39, Articles 3 and 4 and § 54.1-3934, Code of Virginia.				
	The State Comptroller shall continue the Board of Bar Examiners Fund on the Commonwealth Accounting and Reporting System. Revenues collected from fees paid by applicants for admission to the bar shall be deposited into the Board of Bar Examiners Fund. The source of nongeneral funds included in this item is the Board of Bar Examiners Fund. Interest generated by the fund shall be retained by the fund.				
	Total for Board of Bar Examiners			**$1,500,077**	~~**$1,500,328**~~ ***$1,569,056***
	Nongeneral Fund Positions	8.00	8.00		
	Position Level	8.00	8.00		
	Fund Sources: Special	$1,500,077	~~$1,500,328~~ *$1,569,056*		
45.	Not set out.				
46.	Not set out.				
47.	Not set out.				
48.	Not set out.				
49.	Not set out.				
	§ 1-5. JUDICIAL DEPARTMENT REVERSION CLEARING ACCOUNT (104)				
50.	Across the Board Reductions (71400)			$0	$855,795
	Fund Sources: General	$0	$855,795		
	Authority: Discretionary Inclusion.				
	A. On or before June 30, 2015, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of $300,000, representing additional savings generated within the Indigent Defense Commission.				
	B. On or before June 30, 2016, the Director of the Department of Planning and Budget				

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shall authorize the reversion to the general fund of $300,000, representing additional savings generated within the Indigent Defense Commission.				
C. On or before June 30, 2015, the Director of the Department of Planning and Budget shall revert an amount estimated at $700,000 from Judicial agency balances.				
D. Sufficient funding is included within the Judicial Department to support a total of 405 circuit and district court judgeships. The vacant judgeships to be filled as of July 1, 2015, are as follows:				
1. Circuit Court judgeships: one each in the 7th, 9th, 11th, 13th, 14th, 20th, and 27th Circuits; two each in the 19th, 24th, and 26th Circuits; and, three in the 31st Circuit, for a total of 16 Circuit Court judgeships to be filled as of July 1, 2015.				
2. General District Court judgeships: one each in the 1st, 2nd, 4th, 7th, 14th, and 26th Districts; and, two in the 19th District, for a total of eight General District Court judgeships to be filled as of July 1, 2015.				
3. Juvenile and Domestic Relations District Court judgeships: one each in the 4th, 22nd, 24th, 26th, and 28th Districts; two in the 23rd District; and, three in the 15th, for a total of ten Juvenile and Domestic Relations District Court judgeships to be filled as of July 1, 2015.				
4. Included in the appropriation for this item is $855,795 from the general fund in the second year to support the filling of judgeships. The Executive Secretary of the Supreme Court is authorized to request the transfer of funds between this Item and Items 39, 40, and 41 as needed, to reflect the distribution of the 405 judgeships.				
E. On or before June 30, 2016, the Director, Department of Planning and Budget, shall authorize the reversion to the general fund of $400,000, representing estimated Judicial agency balances.				
Total for Judicial Department Reversion Clearing Account			**$0**	**$855,795**
Fund Sources: General	$0	$855,795		
TOTAL FOR JUDICIAL DEPARTMENT			**$486,780,643**	**~~$489,683,733~~ *$490,295,550***
General Fund Positions	3,261.71	3,261.71		
Nongeneral Fund Positions	103.00	103.00		
Position Level	3,364.71	3,364.71		
Fund Sources: General	$452,612,774	~~$455,425,634~~ *$455,968,723*		
Special	$9,740,743	~~$9,741,019~~ *$9,809,747*		
Dedicated Special Revenue	$23,001,202	$23,086,677		
Federal Trust	$1,425,924	$1,430,403		

ITEM 51.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	EXECUTIVE DEPARTMENT				
	EXECUTIVE OFFICES				
51.	Not set out.				
52.	Not set out.				
53.	Not set out.				
54.	Not set out.				
55.	Not set out.				
56.	Not set out.				
57.	Not set out.				
58.	Not set out.				
59.	Not set out.				
60.	Not set out.				
61.	Not set out.				
62.	Not set out.				
63.	Not set out.				
64.	Not set out.				
	TOTAL FOR EXECUTIVE OFFICES			**$62,461,904**	**$63,898,587**
	General Fund Positions	289.67	287.67		
	Nongeneral Fund Positions	221.33	221.33		
	Position Level	511.00	509.00		
	Fund Sources: General	$32,988,200	$32,902,813		
	Special	$17,947,230	$18,476,770		
	Commonwealth Transportation	$1,920,670	$1,921,708		
	Federal Trust	$9,605,804	$10,597,296		

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OFFICE OF ADMINISTRATION

65. Not set out.

§ 1-6. COMPENSATION BOARD (157)

66. Not set out.

67. Financial Assistance for Confinement of Inmates in Local and Regional Facilities (35600)			$63,923,778	~~$50,115,331~~ *$61,390,363*
Financial Assistance for Local Jail Per Diem (35601)	$30,919,831	~~$23,735,820~~ *$29,147,836*		
Financial Assistance for Regional Jail Per Diem (35604)	$33,003,947	~~$26,379,511~~ *$32,242,527*		
Fund Sources: General	$63,923,778	~~$50,115,331~~ *$61,390,363*		

Authority: §§ 53.1-83.1, 53.1-84 and 53.1-85, Code of Virginia.

A. In the event the appropriation in this Item proves to be insufficient to fund all of its provisions, any amount remaining as of June 1, 2015, and June 1, 2016, may be reallocated among localities on a pro rata basis according to such deficiency.

B. For the purposes of this Item, the following definitions shall be applicable:

1. Effective sentence--a convicted offender's sentence as rendered by the court less any portion of the sentence suspended by the court.

2. Local responsible inmate--(a) any person arrested on a state warrant and incarcerated in a local correctional facility, as defined by § 53.1-1, Code of Virginia, prior to trial; (b) any person convicted of a misdemeanor offense and sentenced to a term in a local correctional facility; or (c) any person convicted of a felony offense and given an effective sentence of (i) twelve months or less or (ii) less than one year.

3. State responsible inmate--any person convicted of one or more felony offenses and (a) the sum of consecutive effective sentences for felonies, committed on or after January 1, 1995, is (i) more than 12 months or (ii) one year or more, or (b) the sum of consecutive effective sentences for felonies, committed before January 1, 1995, is more than two years.

C. The individual or entity responsible for operating any facility which receives funds from this Item may, if requested by the Department of Corrections, enter into an agreement with the department to accept the transfer of convicted felons, from other local facilities or from facilities operated by the Department of Corrections. In entering into any such agreements, or in effecting the transfer of offenders, the Department of Corrections shall consider the security requirements of transferred offenders and the capability of the local facility to maintain such offenders. For purposes of calculating the amount due each locality, all funds earned by the locality as a result of an agreement with the Department of Corrections shall be included as receipts from these appropriations.

D. Out of this appropriation, an amount not to exceed $377,010 the first year and $377,010 the second year from the general fund, is designated to be held in reserve for unbudgeted medical expenses incurred by local correctional facilities in the care of state responsible felons.

E. The following amounts shall be paid out of this appropriation to compensate localities for the cost of maintaining prisoners in local correctional facilities, as defined by § 53.1-1, Code of Virginia, or if the prisoner is not housed in a local correctional facility, in an alternative to incarceration program operated by, or under the authority of, the sheriff or jail board:

1. For local responsible inmates--$4 per inmate day, or, if the inmate is housed and maintained in a jail farm not under the control of the sheriff, the rate shall be $18 per inmate

ITEM 67.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016

day.

2. For state responsible inmates--$12 per inmate day.

F. For the payment specified in paragraph E 1 of this Item for prisoners in alternative punishment or alternative to incarceration programs:

1. Such payment is intended to be made for prisoners that would otherwise be housed in a local correctional facility. It is not intended for prisoners that would otherwise be sentenced to community service or placed on probation.

2. No such payment shall be made unless the program has been approved by the Department of Corrections or the Department of Criminal Justice Services. Alternative punishment or alternative to incarceration programs, however, may include supervised work experience, treatment, and electronic monitoring programs.

G.1. Except as provided for in paragraph G 2, and notwithstanding any other provisions of this Item, the Compensation Board shall provide payment to any locality with an average daily jail population of under ten in FY 1995 an inmate per diem rate of $22 per day for local responsible inmates and $28 per day for state responsible inmates held in these jails in lieu of personal service costs for corrections' officers.

2. Any locality covered by the provisions of this paragraph shall be exempt from the provisions thereof provided that the locally elected sheriff, with the assistance of the Compensation Board, enters into good faith negotiations to house his prisoners in an existing local or regional jail. In establishing the per diem rate and capital contribution, if any, to be charged to such locality by a local or regional jail, the Compensation Board and the local sheriff or regional jail authority shall consider the operating support and capital contribution made by the Commonwealth, as required by §§ 15.2-1613, 15.2-1615.1, 53.1-80, and 53.1-81, Code of Virginia. The Compensation Board shall report periodically to the Chairmen of the House Appropriations and Senate Finance Committees on the progress of these negotiations and may withhold the exemption granted by this paragraph if, in the board's opinion, the local sheriff fails to negotiate in good faith.

H.1. The Compensation Board shall recover the state-funded costs associated with housing federal inmates, District of Columbia inmates or contract inmates from other states. The Compensation Board shall determine, by individual jail, the amount to be recovered by the Commonwealth by multiplying the jail's current inmate days for this population by the proportion of the jail's per inmate day salary funds provided by the Commonwealth, as identified in the most recent Jail Cost Report prepared by the Compensation Board. Beginning July 1, 2009, the Compensation Board shall determine, by individual jail, the amount to be recovered by the Commonwealth by multiplying the jail's current inmate days for this population by the proportion of the jail's per inmate day operating costs provided by the Commonwealth, excluding payments otherwise provided for in this Item, as identified in the most recent Jail Cost Report prepared by the Compensation Board. If a jail is not included in the most recent Jail Cost Report, the Compensation Board shall use the statewide average of per inmate day salary funds provided by the Commonwealth.

2. The Compensation Board shall deduct the amount to be recovered by the Commonwealth from the facility's next quarterly per diem payment for state-responsible and local-responsible inmates. Should the next quarterly per diem payment owed the locality not be sufficient against which to net the total quarterly recovery amount, the locality shall remit the remaining amount not recovered to the Compensation Board.

3. Any local or regional jail which receives funding from the Compensation Board shall give priority to the housing of local-responsible, state-responsible, and state contract inmates, in that order, as provided in paragraph H 1.

4. The Compensation Board shall not provide any inmate per diem payments to any local or regional jail which holds federal inmates in excess of the number of beds contracted for with the Department of Corrections, unless the Director, Department of Corrections, certifies to the Chairman of the Compensation Board that a) such contract beds are not required; b) the facility has operational capacity built under contract with the federal government; c) the facility has received a grant from the federal government for a portion

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of the capital costs; or d) the facility has applied to the Department of Corrections for participation in the contract bed program with a sufficient number of beds to meet the Department of Corrections' need or ability to fund contract beds at that facility in any given fiscal year.

5. The Compensation Board shall apply the cost recovery methodology set out in paragraph H 1 of this Item to any jail which holds inmates from another state on a contractual basis. However, recovery in such circumstances shall not be made for inmates held pending extradition to other states or pending transfer to the Virginia Department of Corrections.

6. The provisions of this paragraph shall not apply to any local or regional jail where the cumulative federal share of capital costs exceeds the Commonwealth's cumulative capital contribution.

7. For a local or regional jail which operates bed space specifically built utilizing federal capital or grant funds for the housing of federal inmates and for which Compensation Board funding has never been authorized for staff for such bed space, the Compensation Board shall allow an exemption from the recovery provided in paragraph H.1. for a defined number of federal prisoners upon certification by the sheriff or superintendent that the federal government has paid for the construction of bed space in the facility or provided a grant for a portion of the capital cost. Such certification shall include specific funding amounts paid by the federal government, localities, and/or regional jail authorities, and the Commonwealth for the construction of bed space specifically built for the housing of federal inmates and for the construction of the jail facility in its entirety. The defined number of federal prisoners to be exempted from the recovery provided in paragraph H.1. shall be based upon the proportion of funding paid by the federal government and localities and/or regional jail authorities for the construction of bed space to house federal prisoners to the total funding paid by all sources, including the Commonwealth, for all construction costs for the jail facility in its entirety.

8. Beginning March 1, 2013, federal inmates placed in the custody of a regional jail pursuant to a work release program operated by the federal Bureau of Prisons shall be exempt from the recovery of costs associated with housing federal inmates pursuant to paragraph H.1. of this item if such federal inmates have been assigned by the federal Bureau of Prisons to a home electronic monitoring program in place for such inmates by agreement with the jail on or before January 1, 2012 and are not housed in the jail facility. However, no such exemption shall apply to any federal inmate while they are housed in the regional jail facility.

I. Any amounts in the program Financial Assistance for Confinement of Inmates in Local and Regional Facilities, may be transferred between Items 66 and 67, as needed, to cover any deficits incurred in the programs Financial Assistance for Sheriffs' Offices and Regional Jails and Financial Assistance for Confinement of Inmates in Local and Regional Facilities.

J. Projected growth in per diem payments for the support of prisoners in local and regional jails shall be based on actual inmate population counts up through the first quarter of the affected fiscal year.

K. The Compensation Board shall provide an annual report on the number and diagnoses of inmates with mental illnesses in local and regional jails, the treatment services provided, and expenditures on jail mental health programs. The report shall be prepared in cooperation with the Virginia Sheriffs Association, the Virginia Association of Regional Jails, the Virginia Association of Community Services Boards, and the Department of Behavioral Health and Developmental Services, and shall be coordinated with the data submissions required for the annual jail cost report. Copies of this report shall be provided by November 1 of each year to the Governor, Director, Department of Planning and Budget, and the Chairmen of the Senate Finance and House Appropriations Committees.

68. Not set out.

69. Not set out.

70.	Financial Assistance for Attorneys for the Commonwealth (77200)		$69,935,657	$69,935,657
	Financial Assistance to Attorneys for the Commonwealth (77201)	$15,852,086	$15,852,086	

ITEM 70.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
Financial Assistance for Operations of Local Attorneys for the Commonwealth (77202)	$54,083,571	$54,083,571		
Fund Sources: General	$69,935,657	$69,935,657		

Authority: Title 15.2, Chapter 16, Articles 4 and 6.1, Code of Virginia.

A.1. The annual salaries of attorneys for the Commonwealth shall be as hereinafter prescribed according to the population of the city or county served except as otherwise provided in § 15.2-1636.12, Code of Virginia.

	July 1, 2014 to June 30, 2015	July 1, 2015 to November 30, 2015	December 1, 2015 to June 30, 2016
Less than 10,000	$53,257	$53,257	$53,257
10,000-19,999	$59,182	$59,182	$59,182
20,000-34,999	$65,098	$65,098	$65,098
35,000-44,999	$117,173	$117,173	$117,173
45,000-99,999	$130,189	$130,189	$130,189
100,000-249,999	$135,073	$135,073	$135,073
250,000 and above	$139,958	$139,958	$139,958

2. The attorneys for the Commonwealth and their successors who serve on a full-time basis pursuant to §§ 15.2-1627.1, 15.2-1628, 15.2-1629, 15.2-1630 or § 15.2-1631, Code of Virginia, shall receive salaries as if they served localities with populations between 35,000 and 44,999.

3. Whenever an attorney for the Commonwealth is such for a county and city together, or for two or more cities, the aggregate population of such political subdivisions shall be the population for the purpose of arriving at the salary of such attorney for the Commonwealth under the provisions of this paragraph and such attorney for the Commonwealth shall receive as additional compensation the sum of one thousand dollars.

B. No expenditure shall be made out of this Item for the employment of investigators, clerk-investigators or other investigative personnel in the office of an attorney for the Commonwealth.

C. Consistent with the provisions of § 19.2-349, Code of Virginia, attorneys for the Commonwealth may, in addition to the options otherwise provided by law, employ individuals to assist in collection of outstanding fines, costs, forfeitures, penalties, and restitution. Notwithstanding any other provision of law, beginning on the date upon which the order or judgment is entered, the costs associated with employing such individuals may be paid from the proceeds of the amounts collected provided that the cost is apportioned on a pro rata basis according to the amount collected which is due the state and that which is due the locality. The attorneys for the Commonwealth shall account for the amounts collected and apportion costs associated with the collections consistent with procedures issued by the Auditor of Public Accounts.

D. The provisions of this act notwithstanding, no Commonwealth's attorney, public defender or employee of a public defender, shall be paid or receive reimbursement for the state portion of a salary in excess of the salary paid to judges of the circuit court. Nothing in this paragraph shall be construed to limit the ability of localities to supplement the salaries of locally elected constitutional officers or their employees.

E. The Statewide Juvenile Justice project positions, as established under the provisions of Item 74 E, of Chapter 912, 1996 Acts of Assembly, and Chapter 924, 1997 Acts of Assembly, are continued under the provisions of this act. The Commonwealth's attorneys receiving such positions shall annually certify to the Compensation Board that the positions are used primarily, if not exclusively, for the prosecution of delinquency and domestic relations felony cases, as defined by Chapters 912 and 924. In the event the positions are not primarily or exclusively used for the prosecution of delinquency and domestic relations felony cases, the Compensation Board shall reallocate such positions

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by using the allocation provisions as provided for the board in Item 74 E of Chapters 912 and 924.

F. The Compensation Board shall monitor the Department of Taxation program regarding the collection of unpaid fines and court costs by private debt collection firms contracted by Commonwealth's attorneys and shall include, in its annual report to the General Assembly on the collection of court-ordered fines and fees for clerks of the courts and Commonwealth's attorneys, the amount of unpaid fines and costs collected by this program.

G. Out of this appropriation, $389,165 the first year and $389,165 the second year from the general fund is designated for the Compensation Board to fund five additional positions in Commonwealth's attorney's offices that shall be dedicated to prosecuting gang-related criminal activities. The board shall ensure that these positions work across jurisdictional lines, serving the Northern Virginia area (counties of Fairfax, Loudoun, Prince William, and Arlington and the cities of Falls Church, Alexandria, Manassas, Manassas Park and Fairfax).

H. Included within this appropriation is $2,120,757 the first year and $2,120,757 the second year from the general fund to increase the salary of each assistant Commonwealth's attorney by $3,308.

I. In accordance with the provisions of § 19.2-349, Code of Virginia, attorneys for the Commonwealth may employ individuals, or contract with private attorneys, private collection agencies, or other state or local agencies, to assist in collection of delinquent fines, costs, forfeitures, penalties, and restitution. If the attorney for the Commonwealth employs individuals, the costs associated with employing such individuals may be paid from the proceeds of the amounts collected provided that the cost is apportioned on a pro rata basis according to the amount collected which is due the state and that which is due the locality. If the attorney for the Commonwealth does not undertake collection, the attorney for the Commonwealth shall, as soon as practicable, take steps to ensure that any agreement or contract with an individual, attorney or agency complies with the terms of the current Master Guidelines Governing Collection of Unpaid Delinquent Court-Ordered Fines and Costs Pursuant to Virginia Code § 19.2-34 9 promulgated by the Office of the Attorney General, the Executive Secretary of the Supreme Court, the Department of Taxation, and the Compensation Board ("the Master Guidelines"). Notwithstanding any other provision of law, the delinquent amounts owed shall be increased by seventeen (17) percent to help offset the costs associated with employing such individuals or contracting with such agencies or individuals. If such increase would exceed the contracted collection agent's fee, then the delinquent amount owed shall be increased by the percentage or amount of the collection agent's fee. Effective July 1, 2015, as provided in § 19.2-349, Code of Virginia, treasurers not being compensated on a contingency basis as of January 1, 2015 shall be prohibited from being compensated on a contingency basis but shall be instead compensated administrative cost pursuant to § 58.1-3958, Code of Virginia. Treasurers currently collecting a contingency fee shall be eligible to contract on a contingency fee basis. ~~until June 30, 2018.~~ Effective July 1, 2015, any treasurer collecting a contingency fee shall retain only the expenses of collection, and the excess collection shall be divided between the state and the locality in the same manner as if the collection had been done by the attorney for the Commonwealth. The attorneys for the Commonwealth shall account for the amounts collected and the fees and costs associated with the collections consistent with procedures issued by the Auditor of Public Accounts.

71. Not set out.

72. Not set out.

73. Not set out.

Total for Compensation Board			**$665,928,659**	**~~$656,978,220~~** ***$668,253,252***
General Fund Positions	20.00	20.00		
Nongeneral Fund Positions	1.00	1.00		
Position Level	21.00	21.00		
Fund Sources: General	$649,927,947	~~$640,977,508~~ *$652,252,540*		

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	Trust and Agency	$8,000,712	$8,000,712		
	Dedicated Special Revenue	$8,000,000	$8,000,000		

§ 1-7. DEPARTMENT OF GENERAL SERVICES (194)

74. Not set out.

75. Not set out.

76.	Procurement Services (73000)			$61,313,173	~~$61,898,935~~ *$61,300,836*
	Statewide Procurement Services (73002)	$26,511,273	~~$27,097,035~~ *$26,498,936*		
	Surplus Property Programs (73007)	$2,801,900	$2,801,900		
	Statewide Cooperative Procurement and Distribution Services (73008)	$32,000,000	$32,000,000		
	Fund Sources: General	$2,331,693	$2,331,693		
	Special	$1,709,454	~~$2,054,471~~ *$1,456,372*		
	Enterprise	$22,470,126	$22,710,871		
	Internal Service	$34,801,900	$34,801,900		

Authority: Title 2.2, Chapter 11, Articles 3 and 6, Code of Virginia.

A. 1. Out of this appropriation, $936,900 the first year and $936,900 the second year for federal surplus property is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues derived from charges for services.

2. Out of this appropriation, $1,865,000 the first year and $1,865,000 the second year for state surplus property is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues derived from charges for services.

B. Out of this appropriation, $32,000,000 the first year and $32,000,000 the second year for Statewide Cooperative Procurement and Distribution Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues derived from charges for services.

C.1. The Commonwealth's statewide electronic procurement system and program known as eVA will be financed by fees assessed to state agencies and institutions of higher education and vendors.

2. The Department of General Services, in consultation with the Department of Accounts, shall develop an implementation timetable, scope, and cost for real time integration between eVA and the statewide financial management system known as Cardinal, with the objective that the integration be completed within one year of the Cardinal Wave 2 rollout, no later than February 15, 2017. The Secretaries of Administration and Finance shall submit a final timetable, no later than July 1, 2015, to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees. The Department of General Services and the Department of Accounts are authorized to fund all approved costs of the integration, including associated integration costs incurred by the Department of Accounts' Cardinal project team. All approved integration costs are to be paid from the existing eVA special fund balances. No integration costs shall be paid from eVA fees collected after July 1, 2014. The Department of General Services is authorized, where necessary, to procure all integration services required for this integration project by the Department of General Services and the Department of Accounts to fulfill the requirements of this subsection. Department of Accounts costs for integration services it procures must be approved by the Department of General Services prior to issuing a purchase order or incurring such costs, as the Department of General Services is expected to pay those costs. The Department of General Services and the Department of Accounts shall work collaboratively to implement and complete the integration in accordance with the Secretaries of Administration and Finance approved timetable. The Department of General Services and the Department of Accounts shall jointly submit quarterly implementation progress reports to the Secretaries of Administration and Finance for submission to the

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Governor and Chairmen of the House Appropriations and Senate Finance Committees.				
D. The Department of General Services shall allow nonprofit food banks operating in Virginia and granted tax-exempt status under § 501(c)(3) of the Internal Revenue Code to purchase directly from the Virginia Distribution Center.				
77. Not set out.				
78. Not set out.				
79. Not set out.				
80. Not set out.				
Total for Department of General Services			**$229,996,608**	**~~$233,249,425~~** ***$232,651,326***
General Fund Positions	252.00	253.00		
Nongeneral Fund Positions	408.50	408.50		
Position Level	660.50	661.50		
Fund Sources: General	$21,455,642	$21,199,643		
Special	$5,696,526	~~$7,041,543~~ *$6,443,444*		
Enterprise	$31,043,119	$31,419,864		
Internal Service	$163,981,914	$165,768,968		
Federal Trust	$7,819,407	$7,819,407		
§ 1-8. DEPARTMENT OF HUMAN RESOURCE MANAGEMENT (129)				
81. Personnel Management Services (70400)			$16,267,149	$16,421,397
Agency Human Resource Services (70401)	$6,939,487	$6,030,175		
Human Resource Service Center (70402)	$0	$1,254,584		
Equal Employment Services (70403)	$982,537	$982,537		
Health Benefits Services (70406)	$3,496,179	$3,496,285		
Employee Dispute Resolution Services (70416)	$914,118	$914,118		
State Employee Program Services (70417)	$1,789,314	$1,789,314		
State Employee Workers' Compensation Services (70418)	$1,358,969	$1,358,969		
Administrative and Support Services (70419)	$786,545	$595,415		
Fund Sources: General	$8,308,714	$8,320,849		
Special	$6,599,466	$6,741,579		
Trust and Agency	$1,358,969	$1,358,969		
Authority: Title 2.2, Chapters 12, 28, and 29, Code of Virginia.				
A. The Department of Human Resource Management shall report any proposed changes in premiums, benefits, carriers, or provider networks to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees at least sixty days prior to implementation.				
B.1. The Department of Human Resource Management shall operate a human resource service center to support the human resource needs of those agencies identified by the Secretary of Administration in consultation with the Department of Planning and Budget. The agencies so identified shall cooperate with the Department of Human Resource Management by transferring such records and functions as may be required.				
2. Out of this appropriation, $590,353 the first year and $590,353 the second year from the general fund shall be used to support the human resource service center.				
3. Nothing in this paragraph shall prohibit additional agencies from using the services of the center; however, these additional agencies' use of the human resource service center shall be subject to approval by the affected cabinet secretary and the Secretary of Administration.				

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

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

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

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

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

E.1. The Department of Human Resource Management shall take into account the claims experience of each agency and institution when setting premiums for the workers' compensation program.

2. All financial obligations of the Commonwealth to the Virginia Workers' Compensation Commission for payroll taxes on behalf of the state employees' workers' compensation program are satisfied in full through calendar year 2009.

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

2. The Department of Human Resource Management shall conduct a study, with the cooperation of all executive, legislative, judicial, and independent agencies, to include, but not be limited to, the impact of settling appropriate claims, the potential need for a risk management position in the Department of Human Resource Management to further assist state agencies not staffed with a risk management position, and the need for a risk management position for state agencies with a high incidence of claims who are not staffed with a risk management position. The department shall report its findings and cost savings recommendations for the state employee's workers' compensation program to the Governor and Chairmen of the House Appropriations and Senate Finance Committees no later than October 1, 2014.

3. Notwithstanding § 2.2-2821, Code of Virginia, the Department of Human Resource Management may use up to $30,000 the first year from the Workers' Compensation Trust Fund for the administrative costs associated with paragraph F.2.

4. Beginning July 1, 2015, the Department of Human Resource Management shall conduct an annual review of each state agency's loss control history, to include the severity of workers' compensation claims, experience modification factor, and frequency normalized by payroll. Based on the annual review, state agencies deemed by the Department of Human Resource Management as having higher than normal loss history shall be required to participate in a loss control program. All executive, judicial, legislative, and independent agencies required to participate in the loss control program shall fully cooperate with the Department of Human Resource Management's review. The Department of Human Resource Management shall provide a report to the Governor, Director, Department of Planning and Budget, and Chairmen of the House Appropriations

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and Senate Finance Committees on the status and recommendations of the loss control program no later than October 30 of each year.

5. a. A working capital advance of up to $20,000,000 shall be provided to the Department of Human Resource Management to identify and potentially settle certain workers' compensation claims open for more than one year but less than 10 years. The Department of Human Resource Management shall pay back the working capital advance from annual premiums over a seven year period. The Department of Human Resource Management shall provide a report to the Governor, Director, Department of Planning and Budget, and Chairmen of the House Appropriations and Senate Finance Committees on the status of the settlement program, the number of claims settled, and the estimated state costs avoided from the settlements no later than October 30 of each year.

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

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

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

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

J.1. Out of this appropriation, $2,747,200 the first year and $2,747,200 the second year from the general fund is provided for the migration of the Personnel Management Information System (PMIS) and its subsystems from the Unisys mainframe to the Windows SQL servers platform. The Department of Human Resource Management shall submit a report on the status of the migration of PMIS and its subsystems to the Chairmen of the House Appropriations and Senate Finance Committees, no later than October 1, 2015.

2. Any unexpended balances from paragraph J.1. of this item at the close of business on June 30, 2015, shall not revert to the surplus of the general fund but shall be carried forward on the books of the State Comptroller and appropriated in the succeeding year for the same purpose.

Total for Department of Human Resource Management			**$16,267,149**	**$16,421,397**
General Fund Positions	58.40	~~58.40~~ *58.46*		
Nongeneral Fund Positions	47.60	~~48.60~~ *49.54*		
Position Level	106.00	~~107.00~~ *108.00*		
Fund Sources: General	$8,308,714	$8,320,849		
Special	$6,599,466	$6,741,579		
Trust and Agency	$1,358,969	$1,358,969		

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	Administration of Health Insurance (149)				
82.	Personnel Management Services (70400)			$1,573,501,777	~~$1,619,464,330~~ *$1,760,464,330*
	Health Benefits Services (70406)	$1,236,466,493	~~$1,261,195,823~~ *$1,368,195,823*		
	Local Health Benefit Services (70407)	$337,035,284	~~$358,268,507~~ *$392,268,507*		
	Fund Sources: Enterprise	$337,035,284	~~$358,268,507~~ *$392,268,507*		
	Internal Service	$1,236,466,493	~~$1,261,195,823~~ *$1,368,195,823*		

Authority: § 2.2-2818, Code of Virginia.

A. The appropriation for Health Benefits Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues paid by state agencies to the Department of Human Resource Management.

B. The amounts for Local Health Benefits Services include estimated revenues received from localities for the local choice health benefits program.

C.1. In the event that the total of all eligible claims exceeds the balance in the state employee medical reimbursement account, there is hereby appropriated a sum sufficient from the general fund of the state treasury to enable the payment of such eligible claims.

2. The term "employee medical reimbursement account" means the account administered by the Department of Human Resource Management pursuant to § 125 of the Internal Revenue Code in connection with the health insurance program for state employees (§ 2.2-2818, Code of Virginia).

D. Any balances remaining in the reserved component of the Employee Health Insurance Fund shall be considered part of the overall Health Insurance Fund. It is the intent of the General Assembly that future premiums for the state employee health insurance program shall be set in a manner so that the balance in the Health Insurance Fund will be sufficient to meet the estimated Incurred But Not Paid liability for the Fund and maintain a contingency reserve at a level recommended by the Department of Human Resource Management for a self-insured plan subject to the approval of the General Assembly.

E. The Department of Human Resource Management shall implement a Medication Therapy Management pilot program for state employees with certain disease states including Type II diabetes. The department shall continue to consult with all provider stakeholders in order to establish program parameters.

F. Concurrent with the date the Governor introduces the budget bill, the Directors of the Departments of Planning and Budget and Human Resource Management shall provide to the Chairmen of the House Appropriations and Senate Finance Committees a report detailing the assumptions included in the Governor's introduced budget for the state employee health insurance plan. The report shall include the proposed premium schedule that would be effective for the upcoming fiscal year and any proposed changes to the benefit structure.

G. Of money appropriated for the state employee health insurance fund, $250,000 the first year and $500,000 the second year shall be held separate and apart from the fund to pay for any required fees due to the Patient-Centered Outcomes Research Institute.

H.1 The Department of Human Resource Management shall conduct a comprehensive review of the public employee health programs in the Commonwealth. The Department shall provide a report detailing the findings and recommendations to the chairmen of the House Appropriations Committee and Senate Finance Committee by October 31, 2015.

2. As part of the review, the Department shall conduct an actuarial review of the impact on the state, the school boards, and other political subdivisions, from including the employees, and their dependents, of local governments including local school divisions in

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the state employee health program or in one statewide pooled plan for employees of political subdivisions.				
3. Local school boards and localities shall provide information to the Department as requested for the actuarial analysis.				
4. The review shall also include an examination of The Local Choice program's policies, including its pooling and rating methodology, to determine whether overall improvements may be made to the program, with a specific goal of trying to increase The Local Choice program's appeal among rural school divisions and local governments. During this effort, the Department shall hold a series of meetings with stakeholders to educate them about The Local Choice program and solicit their feedback.				
5. The Director of the Department of Planning and Budget is authorized to transfer up to $250,000 general fund from program 757 (agency 995, Central Appropriations) from unobligated balances from prior year appropriation to the Department of Human Resource Management as needed to fund the review and outreach efforts.				
I. The Department of Human Resource Management shall compile a list of the one hundred (100) most currently prescribed drugs in the state's employee healthcare plan, and the average cost to the member associated with each of the 100 most currently prescribed drugs. The Department shall make this list accessible prior to the annual open enrollment period to assist in plan selection.				
Total for Administration of Health Insurance			**$1,573,501,777**	**~~$1,619,464,330~~** ***$1,760,464,330***
Fund Sources: Enterprise	$337,035,284	~~$358,268,507~~ *$392,268,507*		
Internal Service	$1,236,466,493	~~$1,261,195,823~~ *$1,368,195,823*		
Grand Total for Department of Human Resource Management			**$1,589,768,926**	**~~$1,635,885,727~~** ***$1,776,885,727***
General Fund Positions	58.40	~~58.40~~ *58.46*		
Nongeneral Fund Positions	47.60	~~48.60~~ *49.54*		
Position Level	106.00	~~107.00~~ *108.00*		
Fund Sources: General	$8,308,714	$8,320,849		
Special	$6,599,466	$6,741,579		
Enterprise	$337,035,284	~~$358,268,507~~ *$392,268,507*		
Internal Service	$1,236,466,493	~~$1,261,195,823~~ *$1,368,195,823*		
Trust and Agency	$1,358,969	$1,358,969		
83. Not set out.				
84. Not set out.				
TOTAL FOR OFFICE OF ADMINISTRATION			**$2,501,072,513**	**~~$2,543,390,653~~** ***$2,695,067,586***
General Fund Positions	371.40	~~372.40~~ *372.46*		
Nongeneral Fund Positions	464.10	~~465.10~~ *466.04*		
Position Level	835.50	~~837.50~~ *838.50*		
Fund Sources: General	$689,551,224	~~$680,458,721~~ *$691,733,753*		

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	Special	$12,413,498	~~$13,899,372~~ *$13,301,273*		
	Enterprise	$368,078,403	~~$389,688,371~~ *$423,688,371*		
	Internal Service	$1,400,448,407	~~$1,426,964,791~~ *$1,533,964,791*		
	Trust and Agency	$14,672,994	$16,471,411		
	Dedicated Special Revenue	$8,000,000	$8,000,000		
	Federal Trust	$7,907,987	$7,907,987		

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	OFFICE OF AGRICULTURE AND FORESTRY				
85.	Not set out.				
	§ 1-9. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (301)				
86.	Not set out.				
87.	Animal and Poultry Disease Control (53100)			$6,694,791	~~$6,898,565~~ *$7,148,320*
	Animal Disease Prevention and Control (53101)	$2,853,855	~~$2,853,855~~ *$3,103,610*		
	Diagnostic Services (53102)	$3,646,483	$3,850,257		
	Animal Welfare (53104)	$194,453	$194,453		
	Fund Sources: General	$4,132,492	~~$4,336,266~~ *$4,586,021*		
	Special	$1,613,223	$1,613,223		
	Federal Trust	$949,076	$949,076		
	Authority: Title 3.2, Chapters 60 and 65, Code of Virginia.				
88.	Not set out.				
89.	Not set out.				
90.	Not set out.				
91.	Not set out.				
92.	Not set out.				
93.	Not set out.				
94.	Not set out.				
95.	Not set out.				
96.	Not set out.				
97.	Not set out.				
	Total for Department of Agriculture and Consumer Services			**$62,757,274**	~~**$63,822,327**~~ ***$64,072,082***
	General Fund Positions	321.00	321.00		
	Nongeneral Fund Positions	205.00	205.00		
	Position Level	526.00	526.00		
	Fund Sources: General	$33,176,063	~~$34,241,116~~ *$34,490,871*		
	Special	$5,532,424	$5,532,424		
	Trust and Agency	$6,606,146	$6,606,146		
	Dedicated Special Revenue	$8,523,086	$8,523,086		
	Federal Trust	$8,919,555	$8,919,555		
98.	Not set out.				
99.	Not set out.				
99.10	Not set out.				
99.20	Not set out.				
	TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY			**$95,471,198**	~~**$97,064,085**~~ ***$97,313,840***

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General Fund Positions	497.59	498.59		
Nongeneral Fund Positions	328.41	328.41		
Position Level	826.00	827.00		
Fund Sources: General	$49,430,868	~~$51,027,632~~ *$51,277,387*		
Special	$16,363,076	$16,359,199		
Trust and Agency	$6,708,976	$6,708,976		
Dedicated Special Revenue	$9,087,955	$9,087,955		
Federal Trust	$13,880,323	$13,880,323		

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OFFICE OF COMMERCE AND TRADE

§ 1-10. SECRETARY OF COMMERCE AND TRADE (192)

100. Not set out.

Economic Development Incentive Payments (312)

101.	Economic Development Services (53400)		$62,076,436	~~$79,363,444~~ *$80,363,444*
	Financial Assistance for Economic Development (53410)	$62,076,436		~~$79,363,444~~ *$80,363,444*
	Fund Sources: General	$61,826,436		~~$79,113,444~~ *$80,113,444*
	Dedicated Special Revenue	$250,000		$250,000

Authority: Discretionary Inclusion.

A.1. Out of the amounts in this Item, $19,916,000 the first year and ~~$20,750,000~~ $21,750,000 the second year from the general fund shall be deposited to the Commonwealth's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds shall be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance Committees, to attract economic development prospects to locate or expand in Virginia. If the Governor, pursuant to the provisions of § 2.2-115, E.1., Code of Virginia, determines that a project is of regional or statewide interest and elects to waive the requirement for a local matching contribution, such action shall be included in the report on expenditures from the Commonwealth's Development Opportunity Fund required by § 2.2-115, F., Code of Virginia. Such report shall include an explanation on the jobs anticipated to be created, the capital investment made for the project, and why the waiver was provided.

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

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

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

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

6. Up to $5,000,000 of previously awarded funds and funds repaid by political subdivisions or business beneficiaries and deposited to the Commonwealth's Development Opportunity Fund

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may be used to assist Prince George County with site improvements related to the location of a major aerospace engine manufacturer to the Commonwealth.

7. In addition to all other economic incentive payments already approved for the project, the Governor may authorize an additional $1,500,000 from the Commonwealth Opportunity Fund as needed to assist with site development improvements for a regional economic development project related to the location of a major automotive supplier manufacturer in Botetourt County.

B. Out of the appropriation for this Item, $5,400,000 the first year and $3,800,000 the second year from the general fund shall be deposited to the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Fund to be used to pay semiconductor memory or logic wafer manufacturing performance grants in accordance with § 59.1-284.14.1, Code of Virginia.

C.1. Out of the appropriation for this Item, $3,957,289 the first year and $3,602,914 the second year from the general fund shall be deposited to the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia.

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

D.1. Out of the appropriation for this Item, $6,800,000 the first year and $6,800,000 the second year from the general fund shall be deposited to the Major Eligible Employer Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5102, Code of Virginia.

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

E. Out of the appropriation for this Item, $2,400,000 the first year and $2,400,000 the second year from the general fund and an amount estimated at $250,000 the first year and $250,000 the second year from nongeneral funds shall be deposited to the Governor's Motion Picture Opportunity Fund, as established in § 2.2-2320, Code of Virginia. These nongeneral fund revenues shall be deposited to the fund from revenues generated by the digital media fee established pursuant to § 58.1-1731, et seq., Code of Virginia. Such funds shall be used at the discretion of the Governor to attract film industry production activity to the Commonwealth.

F. Out of the appropriation for this Item, $648,000 the first year and $13,842,000 the second year from the general fund shall be used in support of the location of an aerospace engine facility in Prince George County. The funds may be used for grants in accordance with §§ 59.1-284.20, 59.1-284.21, and 59.1-284.22, Code of Virginia. The Director, Department of Planning and Budget shall transfer these funds to the impacted state agencies upon request to the Director, Department of Planning and Budget by the respective state agency.

G.1. Out of the appropriation for this Item, $4,500,000 the first year and $5,900,000 the second year from the general fund shall be deposited to the Virginia Economic Development Incentive Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5102.1, Code of Virginia.

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

H. 1.Out of the appropriation for this Item, $8,029,323 the first year and $7,592,582 the second year from the general fund shall be deposited to the Advanced Shipbuilding Training Facility Fund to be used to pay grants in accordance with § 59.1-284.23, F., Code of Virginia.

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2. In addition to the amounts provided above, out of the appropriation in this Item $250,000 from the general fund the second year is provided as a grant for one-time seed funding for expansion of the Pre-Hire Immersion Training Program for ship repair skilled workers. This program will be conducted in collaboration with the Virginia Ship Repair Association.

3. The Virginia Ship Repair Association will report on the success of this program regarding the number of skilled workers trained and hired and the ability of the program to be self-funded through employer pay-back provisions for the training once a worker has been successfully hired.

4. This report shall be provided to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2016.

I. Out of the appropriation for this Item, $2,800,000 the first year and $2,800,000 the second year from the general fund and $1,000,000 in the first year and $1,000,000 in the second year from amounts appropriated under Item 101 A.1. of this act shall be deposited into the Commonwealth Research Commercialization Fund created pursuant to § 2.2-2233.1, Code of Virginia. Of the amounts provided for the Commonwealth Research Commercialization Fund, up to $1,500,000 the first year and $1,500,000 the second year shall be used for a Small Business Innovation Research Matching Fund Program for Virginia-based technology businesses and, for matching funds for recipients of federal Small Business Technology Transfer (STTR) awards for Virginia-based small businesses. Any monies from these amounts that have not been allocated at the end of each fiscal year shall not revert to the general fund but shall be distributed for other purposes designated by the Research and Technology Investment Advisory Committee and aligned with the Research and Technology Roadmap.

Businesses meeting the following criteria shall be eligible to apply for an award to be administered by the Research and Technology Investment Advisory Committee:

1. The applicant has received an STTR award targeted at the development of qualified research or technologies;

2. At least 51 percent of the applicant's employees reside in Virginia; and

3. At least 51 percent of the applicant's property is located in Virginia.

Applicants shall be eligible for matching grants of up to $100,000 for Phase I awards and up to $500,000 for Phase II awards. All applicants shall be required to submit a commercialization plan with their application. Any unused funds shall not revert to the general fund but shall remain in the Commonwealth Research and Commercialization Fund. Notwithstanding the provisions of § 2.2-2233.1 D.6 unused funding from the Fund shall be awarded as originally intended by the Research and Technology Investment Advisory Committee and only reallocated if sufficient demand does not exist for the original allocation.

J.1. Out of the appropriation for this Item, $2,500,000 the second year from the general fund shall be provided for a non-stock corporation research consortium initially comprised of the University of Virginia, Virginia Commonwealth University, Virginia Polytechnic Institute and State University, George Mason University and the Eastern Virginia Medical School. In addition, the consortium is authorized to utilize up to $2,500,000 in the first year from unobligated funding previously appropriated to the consortium for FY 2013 in Item 105 M.1. of Chapter 3, 2012 Special Session I. The consortium will contract with private entities, foundations and other governmental sources to capture and perform research in the biosciences. Initial exclusive focus will be around the Virginia core strength areas of Bio-Informatics and Medical Informatics, Point of Care Diagnostics and Drug Discovery and Delivery. The funding to be provided for research under this Item must be matched at least dollar-for-dollar by funding provided by such private entities, foundations and other governmental sources. The Director, Department of Planning and Budget, is authorized to provide these funds to the non-stock corporation research consortium referenced in this paragraph upon request filed with the Director, Department of Planning and Budget by the non-stock corporation research consortium.

2. Other publicly-supported institutions of higher education in the Commonwealth may choose to join the consortium as participating institutions. Participation in the consortium by

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the five founding institutions and by other participating institutions choosing to join will require a cash contribution from each institution in each year of participation of at least $50,000, or a larger amount to be determined by the consortium.

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

4. Of these funds, up to $250,000 the first year and $250,000 the second year may be used to pay the administrative, promotional and legal costs of establishing and administering the consortium, including the creation of intellectual property protocols, and the publication of research results.

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

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

K.1. Out of this appropriation, $200,272 the first year and $200,347 the second year from the general fund shall be provided to the Virginia-Israel Advisory Board.

2. The Virginia-Israel Advisory Board shall seek prior approval of all travel and related expenditures from the Secretary of Commerce and Trade.

3. The Virginia-Israel Advisory Board shall report by January 15 of each year to the Chairmen of the Senate Finance and House Appropriations Committees on the board's activities and expenditure of state funds.

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

M.1. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund shall be deposited into the Biofuels Production Fund established pursuant to § 45.1-393, Code of Virginia, to be used solely for the purposes of providing grants to a producer of neat biofuels commencing qualifying sales on or after January 1, 2014, but before June 30, 2014. With the exception of the provisions of subparagraphs M.2. and M.4. of this item, grant payments from the Fund shall be made in accordance with the provisions of § 45.1-394, Code of Virginia.

2. A producer shall be eligible for a grant from the Biofuels Production Fund established under § 45.1-393, Code of Virginia, only for each gallon of neat biofuels that it produces in the Commonwealth on or after January 1, 2014, which gallon has also been sold by the producer to customers.

3. The Secretary of Agriculture and Forestry shall assist any producer that commences qualifying sales of neat biofuels within the period specified in subparagraph M.1. of this item in identifying potential producers of agricultural feedstock sources within 100 miles of the primary biofuels production site and shall examine the feasibility of establishing a

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cooperative association to meet the feedstock requirements of any such producer. The Secretary of Agriculture and Forestry and the Secretary of Natural Resources shall work within the structure of existing funding for agricultural best management practices from the Water Quality Improvement Fund to develop additional incentives to encourage farmers to produce winter cover crops utilized in biofuels production.

4. As part of the certification process required pursuant to § 45.1-394 D., Code of Virginia, to be eligible for a grant pursuant to this appropriation, the producer shall also provide evidence that feedstock used in the production of the qualifying neat biofuels was derived from Virginia-grown agricultural products to the greatest extent such feedstock materials are available from Virginia sources.

5. To be eligible for a grant under this section for 2015 production of neat advanced biofuels or neat biofuels, a producer must show he has made a good faith effort to produce the same using feedstock that is not derived from corn or the corn kernel, stalk, or any other part of the plant. Further, no grant shall be awarded for neat advanced biofuels or neat biofuels produced in 2016 or thereafter using feedstock derived from corn or the corn kernel, stalk, or any other part of the plant.

N. Out of this appropriation, $1,000,000 the second year from the general fund shall be provided to Fairfax County to support efforts to host an international athletic competition in 2015. The funds shall be used in accordance with a memorandum of understanding between the Commonwealth and Fairfax County.

O. Out of this appropriation $500,000 from the general fund in the second year is provided for the purpose of attracting new tourism and hospitality projects and expanding existing tourism and hospitality projects in the Commonwealth. Funds shall be disbursed through the Virginia Tourism Authority as grants or loans to political subdivisions or business entities authorized to transact business in the Commonwealth based on criteria as approved by the Governor. The Governor shall transmit his specific criteria for awarding and distributing these funds to the Chairmen of the House Committee on Appropriations and the Senate Finance Committee prior to any expenditure of this appropriation.

Total for Economic Development Incentive Payments			**$62,076,436**	**~~$79,363,444~~** ***$80,363,444***
Fund Sources: General	$61,826,436	~~$79,113,444~~ *$80,113,444*		
Dedicated Special Revenue	$250,000	$250,000		
Grand Total for Secretary of Commerce and Trade			**$62,735,371**	**~~$80,023,392~~** ***$81,023,392***
General Fund Positions	7.00	7.00		
Position Level	7.00	7.00		
Fund Sources: General	$62,485,371	~~$79,773,392~~ *$80,773,392*		
Dedicated Special Revenue	$250,000	$250,000		

§ 1-11. BOARD OF ACCOUNTANCY (226)

102.	Regulation of Professions and Occupations (56000)			$1,648,449	~~$1,648,465~~ *$1,748,465*
	Accountant Regulation (56001)	$1,648,449	~~$1,648,465~~ *$1,748,465*		
	Fund Sources: Dedicated Special Revenue	$1,648,449	~~$1,648,465~~ *$1,748,465*		
	Authority: Title 54.1, Chapter 44, Code of Virginia.				
	Total for Board of Accountancy			**$1,648,449**	**~~$1,648,465~~** ***$1,748,465***
	Nongeneral Fund Positions	12.00	12.00		

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	Position Level	12.00	12.00		
	Fund Sources: Dedicated Special Revenue	$1,648,449	~~$1,648,465~~ *$1,748,465*		
103.	Not set out.				
104.	Not set out.				
105.	Not set out.				
106.	Not set out.				
107.	Not set out.				
108.	Not set out.				
109.	Not set out.				
110.	Not set out.				
111.	Not set out.				
112.	Not set out.				
113.	Not set out.				
114.	Not set out.				
115.	Not set out.				
116.	Not set out.				
117.	Not set out.				
118.	Not set out.				
119.	Not set out.				
120.	Not set out.				
121.	Not set out.				
122.	Not set out.				
123.	Not set out.				
124.	Omitted.				
125.	Omitted.				
126.	Not set out.				
	TOTAL FOR OFFICE OF COMMERCE AND TRADE			**$892,970,953**	~~**$1,091,922,245**~~ ***$1,093,022,245***
	General Fund Positions	363.34	363.34		
	Nongeneral Fund Positions	1,318.66	1,320.16		
	Position Level	1,682.00	1,683.50		
	Fund Sources: General	$181,916,915	~~$197,028,483~~ *$198,028,483*		
	Special	$21,246,792	$19,790,060		
	Commonwealth Transportation	$1,453,283	$1,453,283		
	Trust and Agency	$590,777,360	$603,796,694		
	Dedicated Special Revenue	$23,416,629	~~$23,416,645~~ *$23,516,645*		
	Federal Trust	$74,159,974	$246,437,080		

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OFFICE OF EDUCATION

127. Not set out.

§ 1-12. DEPARTMENT OF EDUCATION, CENTRAL OFFICE OPERATIONS (201)

128. Not set out.

129. Not set out.

130. Not set out.

131. Not set out.

132. Not set out.

133. Not set out.

134. Not set out.

Direct Aid to Public Education (197)

135.	Financial Assistance for Educational, Cultural, Community, and Artistic Affairs (14300)			$14,263,849	~~$22,513,649~~ *$22,189,149*
	Financial Assistance for Supplemental Education (14304)	$14,263,849	~~$22,513,649~~ *$22,189,149*		
	Fund Sources: General	$14,263,849	~~$22,513,649~~ *$22,189,149*		

Authority: Discretionary Inclusion.

A. Out of this appropriation, the Department of Education shall provide $373,776 the first year and $573,776 the second year from the general fund for the Jobs for Virginia Graduates initiative.

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

C. This appropriation includes $58,905 the first year and $108,905 the second year from the general fund for the Southside Virginia Regional Technology Consortium to expand the research and development phase of a technology linkage.

D. An additional state payment of $145,896 the first year and $145,896 the second year from the general fund is provided as a Small School Division Assistance grant for the City of Norton. To receive these funds, the local school board shall certify to the Superintendent of Public Instruction that its division has entered into one or more educational, administrative or support service cost-sharing arrangements with another local school division. In addition, this Item includes $123,000 the first year *and $123,000 the second year* from the general fund to address the need for a review and reconciliation of school-aged population reported and student membership in Norton City Public School Division.

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

F. It is the intent of the General Assembly that the Department of Education provide bonuses from state funds to classroom teachers in Virginia's public schools who hold certification

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from the National Board of Professional Teaching Standards. Such bonuses shall be $5,000 the first year of the certificate and $2,500 annually thereafter for the life of the certificate. This appropriation includes an amount estimated at $5,735,000 the first year and ~~$5,885,000~~ *$5,437,500* the second year from the general fund for the purpose of paying these bonuses. By October 15 of each year, school divisions shall notify the Department of Education of the number of classroom teachers under contract for that school year that hold such certification.

G. This appropriation includes $708,000 the first year and $708,000 the second year from the general fund for the Virginia Teaching Scholarship Loan Program. These scholarships shall be for undergraduate students at or beyond the sophomore year in college with a cumulative grade point average of at least 2.7, who were in the top 10 percent of their high school class or alternative measure of achievement as selected by the institution, who are nominated by their college and students at the graduate level, and who meet the criteria and qualifications, pursuant to § 22.1-290.01, Code of Virginia. Awards shall be made to students who are enrolled full-time or part-time in approved undergraduate or graduate teacher education programs for (i) critical teacher shortage disciplines, such as special education, chemistry, physics, earth and space science, foreign languages, or technology education or (ii) as students meeting the qualifications in § 22.1-290.01, Code of Virginia, who have been identified by a local school board to teach in any discipline or at any grade level in which the school board has determined that a shortage of teachers exists; however, such persons shall meet the qualifications for awards granted pursuant to this Item; or (iii) those students seeking degrees in Career and Technical education. Minority students may be enrolled in any content area for teacher preparation and male students may be enrolled in any approved elementary or middle school teacher preparation program; therefore, this provision shall satisfy the requirements for the Diversity in Teaching Initiative and Fund, pursuant to Chapters 570, 597, 623, 645, and 719 of the Acts of Assembly of 2000. Scholarship recipients may fulfill the teaching obligation by accepting a teaching position (i) in one of the critical teacher shortage disciplines; or (ii) regardless of teaching discipline, in a school with a high concentration of students eligible for free or reduced price lunch; or (iii) in any discipline or at grade levels with a shortage of teachers; or (iv) in a rural or urban region of the state with a teacher shortage. For the purposes of this Item, "critical teacher shortage area and discipline" means subject areas and grade levels identified by the Board of Education in which the demand for classroom teachers exceeds the supply of teachers, as defined in the Board of Education's Regulations Governing the Determination of Critical Teacher Shortage Areas. Scholarship amounts are based on $10,000 per year for full-time students, and shall be prorated for part-time students based on the number of credit hours. The Department of Education shall report annually on the critical shortage teaching areas in Virginia.

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

3. The Department of Education is authorized to recover total funds awarded as scholarships, or the appropriate portion thereof, in the event that scholarship recipients fail to honor the stipulated teaching obligation. Any funds collected by the Department on behalf of this program shall revert to the general fund on June 30 each year. Such reversion shall be the net of any administrative or legal fees associated with the collection of these funds.

H. Out of the amounts for this Item, shall be provided $31,003 the first year and $31,003 the second year from the general fund for the Virginia Career Education Foundation.

I. Out of this appropriation, $212,500 the first year and $400,000 the second year from the general fund shall be distributed to the Great Aspirations Scholarship Program (GRASP) to provide students and families in need access to financial aid, scholarships, and counseling to maximize educational opportunities for students.

J. Out of this appropriation, the Department of Education shall provide $794,400 the first year and $794,400 the second year from the general fund to Communities in Schools.

K. This appropriation includes $100,000 the first year and $100,000 the second year from

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the general fund for the Superintendent of Public Education to award supplemental grants to charter schools.

L. This appropriation includes $543,176 the first year and $543,176 the second year from the general fund to support the Youth Development Academy for rising 9th and 10th grade students.

M. Out of this appropriation, $808,000 the first year and $808,000 the second year from the general fund is provided to attract, recruit, and retain high-quality diverse individuals to teach science, technology, engineering, or mathematics (STEM) subjects in Virginia's middle and high schools. A teacher with up to three years of teaching experience employed full-time in a Virginia school division who has been issued a five-year Virginia teaching license with an endorsement in Middle Education 6-8: Mathematic, Mathematics-Algebra-I, mathematics, Middle Education 6-8: Science, Biology, Chemistry, Earth and Space Science, physics, or technology education and assigned to a teaching position in a corresponding STEM subject area is eligible to receive a $5,000 initial incentive award after the completion of the first, second, or third year of teaching with a satisfactory performance evaluation and a signed contract in the same school division for the following school year. A teacher, holding one or more of the aforementioned endorsements and assigned to a teaching position in a corresponding STEM subject area and regardless of teaching experience, who is reassigned from a fully accredited school in a Virginia school division to a hard-to-staff school or a school that is not fully accredited and receives a satisfactory performance evaluation and a signed contract in the same school division for the following year is also eligible to receive an initial incentive award of $5,000. An additional $1,000 incentive award may be granted for each year the eligible teacher receives a satisfactory evaluation and teaches a qualifying STEM subject in which the teacher has an endorsement for up to three years in a Virginia school division following the year in which the teacher receives the initial incentive award. The maximum incentive award for each eligible teacher is $8,000. Funding will be awarded on a first-come, first-served basis with preference to teachers assigned to teach in hard-to-staff schools or low-performing schools not fully accredited.

N. Out of this appropriation, the Department of Education shall provide $700,000 the first year and $425,000 the second year from the general fund for Project Discovery. These funds are towards the cost of the program in Abingdon, Accomack/Northampton, Alexandria, Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, Cumberland, Danville/Pittsylvania, Fairfax, Franklin/Patrick, Goochland/Powhatan, Lynchburg, Newport News, Norfolk, Richmond City, Roanoke City, Smyth, Surry/Sussex, Tazewell, Williamsburg/James City, and Wythe and the salary of a fiscal officer for Project Discovery. The Department of Education shall administer the Project Discovery funding distributions to each community action agency. Distributions to each community action agency shall be based on performance measures established by the Board of Directors of Project Discovery. The contract with Project Discovery should specify the allocations to each local program and require the submission of a financial and budget report and program evaluation performance measures.

O. Out of this appropriation, the Department of Education shall provide $225,000 the first year and $250,000 the second year from the general fund for the Virginia Student Training and Refurbishment Program.

P. Out of this appropriation, $400,000 the first year and $400,000 the second year from the general fund is provided to establish a comprehensive pilot initiative to recruit students to major in the fields of mathematics and science to help alleviate the shortage of qualified teachers in these fields.

Q. Out of this appropriation, $598,000 the first year and $598,000 the second year from the general fund is provided to expand the number of schools implementing a system of positive behavioral interventions and supports with the goal of improving school climate and reducing disruptive behavior in the classroom. Such a system may be implemented as part of a tiered system of supports that utilizes evidence-based, system-wide practices to provide a response to academic and behavioral needs. Any school division which desires to apply for this competitive grant must submit a proposal to the Department of Education by June 1 preceding the school-year in which the program is to be implemented. The proposal must define student outcome objectives including, but not limited to, reductions in disciplinary referrals and out-

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of-school suspension rates. In making the competitive grant awards, the Department of Education shall give priority to school divisions proposing to serve schools identified by the Department as having high suspension rates. No funds awarded to a school division under this grant may be used to supplant funding for schools already implementing the program.

R. Targeted Extended School Year Payments

1. Out of this appropriation, $1,000,000 the first year from the general fund is provided for start-up grants of up to $300,000 per school per year, depending on the extended school year model adopted. First priority shall be given to the school divisions awarded planning grants in fiscal year 2014 and the College Readiness Center pilot. Next priority shall be given to schools based on need, relative to the most current state accreditation ratings or similar federal designations.

2. Out of this appropriation, $7,150,000 the second year from the general fund is provided for a targeted extended school year incentive in order to improve student achievement. Annual start-up grants of up to $300,000 per school may be awarded for a period of up to two years after the initial implementation year. The per school amount may be up to $400,000 in the case of schools that have a Denied Accreditation status. After the third consecutive year of successful participation, an eligible school's grant amount shall be based on a shared split of the grant between the state and participating school division's local composite index. Such continuing schools shall remain eligible to receive a grant based on the 2012 JLARC Review of Year Round Schools' researched base findings.

3. Except for school divisions with schools that are in Denied Accreditation status, any other school division applying for such a grant shall be required to provide a twenty percent local match to the grant amount received from either an extended year start-up or planning grant in the second year.

4. In the case of any school division with schools that are in Denied Accreditation status that apply for funds, the school division shall also consult with the Superintendent of Public Instruction or designee on all recommendations regarding instructional programs or instructional personnel prior to submission to the local board for approval.

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

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

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

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

8. Any funds remaining in this paragraph following grant awards may be disbursed by the

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Department of Education as grants to school divisions to support innovative approaches to instructional delivery or school governance models.

S. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is provided through grants to school divisions for the cost of fees associated with hiring teachers through Teach for America. School divisions may apply for these funds through application submission to the Department of Education. Any remaining unspent available balance each fiscal year in Teach For America will be carried over to the next fiscal year for the same purposes in supporting this program.

T. This appropriation includes $100,000 the first year from the general fund to support the next phase of work toward the goal of establishing the Virginia Science, Technology, Engineering, and Applied Mathematics (STEAM) Academy. In addition, $100,000 the second year from the general fund is provided to expand the summer enrichment academies and continue preparation toward establishment of the Virginia STEAM Academy boarding high school.

U. Out of this appropriation, $325,000 the second year from the general fund is provided for the Accomack, Fairfax, Loudoun, Petersburg, and Wythe Public Schools to support implementation of a STEM model program for kindergarten and preschool students. Each developed model will focus on enhancing children's learning experiences through the arts.

V. Out of this appropriation, $500,000 the second year from the general fund is provided for the Achievable Dream partnership with Newport News School Division. This funding is in lieu of a like amount from the Neighborhood Assistance Program Tax Credits for An Achievable Dream Middle and High School, Inc.

W. Out of this appropriation, $500,000 the second year from the general fund is provided for grants for two teacher residency partnerships between one or two university teacher preparation programs and the Petersburg and Norfolk school divisions to help improve new teacher training and retention for hard-to-staff schools. The grants will support a site-specific residency model program for preparation, planning, development and implementation, including possible stipends in the program to attract qualified candidates and mentors. Applications must be submitted to the Department of Education by August 1, 2015.

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

Y. Out of this appropriation, $250,000 the second year from the general fund is provided to the Virginia Early Childhood Foundation.

Z. This appropriation includes $250,000 the second year from the general fund to support five competitive grants, not to exceed $50,000 each, for planning the implementation of systemic High School Program Innovation by either individual school division or consortium of school divisions. The local applicant(s) selected to conduct this systemic approach to high school reform, in consultation with the Department of Education, will develop and plan innovative approaches to engage and to motivate students through personalized learning and instruction leading to demonstrated mastery of content, as well as skills development of career readiness. Essential elements of high school innovation include: (1) student centered learning, with progress based on student demonstrated proficiency; (2) 'real-world' connections that promote alignment with community work-force needs and emphasize transition to college and/or career; and (3) varying models for educator supports and staffing. Individual school divisions or consortia will be invited to apply on a competitive basis by submitting a grant application that includes descriptions of key elements of innovations, a detailed budget, expectations for outcomes and student achievement benefits, evaluation methods, and plans for sustainability. The Department of Education will make the final determination of which school divisions or consortia of divisions will receive the year-long planning grant for High School Innovation. Any school division or consortium of divisions which desires to apply for this competitive grant must submit a proposal to the Department of Education by June 1 preceding the school year in which the planning for systemic high school innovation is to take place.

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136.	State Education Assistance Programs (17800)			$6,136,741,780	~~$6,429,624,890~~ *$6,397,963,009*
	Standards of Quality for Public Education (SOQ) (17801)	$5,499,784,879	~~$5,766,297,841~~ *$5,728,534,674*		
	Financial Incentive Programs for Public Education (17802)	$21,014,215	~~$74,753,683~~ *$73,899,495*		
	Financial Assistance for Categorical Programs (17803)	$55,388,936	~~$56,905,441~~ *$56,573,293*		
	Distribution of Lottery Funds (17805)	$560,553,750	~~$531,667,925~~ *$538,955,547*		
	Fund Sources: General	$5,391,182,625	~~$5,537,750,362~~ *$5,498,800,859*		
	Special	$895,000	$895,000		
	Commonwealth Transportation	$855,027	$803,778		
	Trust and Agency	$743,809,128	~~$890,175,750~~ *$897,463,372*		

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

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

Financial Assistance for Categorical Programs (17803): Discretionary Inclusion; Treaty of 1677 between Virginia and the Indians; §§ 22.1-3.4, 22.1-101, 22.1-108, 22.1-199 through 22.1-212.2:3, 22.1-213 through 22.1-221, 22.1-223 through 22.1-237, 22.1-254, Code of Virginia; P.L. 89-10, as amended; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 94-588; P.L. 95-561, as amended; P.L. 98-211, as amended; P.L. 98-524, as amended; P.L. 99-570; P.L. 100-297, as amended; P.L. 102-73, as amended; P.L. 105-220, as amended, Federal Code.

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

Appropriation Detail of Education Assistance Programs (17800)

Standards of Quality (17801)	**FY 2015**	**FY 2016**
Basic Aid	$3,089,811,888	~~$3,077,198,033~~ *$3,068,019,027*
Sales Tax	$1,274,500,000	~~$1,322,300,000~~ *$1,316,900,000*
Textbooks (split funded)	$0	~~$21,908,342~~ *$4,209,784*
Vocational Education	$50,921,566	~~$50,846,321~~ *$50,747,750*
Gifted Education	$33,203,673	~~$33,345,916~~ *$33,238,640*
Special Education	$368,248,470	~~$369,516,783~~ *$368,136,558*
Prevention, Intervention, and Remediation	$100,686,259	~~$100,910,614~~ *$100,487,258*
VRS Retirement (includes RHCC)	$380,366,918	~~$370,821,518~~

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				$369,597,518
Social Security		$186,980,415		~~$187,635,124~~ *$187,015,723*
Group Life		$11,769,458		~~$11,812,797~~ *$11,773,666*
Remedial Summer School (split funded)		$3,296,232		~~$27,118,392~~ *$25,524,750*
Total		**$5,499,784,879**		~~**$5,573,413,841**~~ ***$5,535,650,674***
Incentive Programs (17802)				
Compensation Supplement		$0		~~$52,431,889~~ *$51,771,609*
Governor's School		$15,602,255		~~$16,065,691~~ *$15,853,447*
Governor's School Planning and Startup/ Expansion Grants		$0		$100,000
Governor's School Planning Grant – Career and Technical Education		$100,000		$0
Clinical Faculty		$318,750		$318,750
Career Switcher Mentoring Grants		$279,983		$279,983
Special Education Endorsement Program		$600,000		$600,000
Special Education – Vocational Education		$200,089		$200,089
Virginia Workplace Readiness Skills Assessment		$308,655		$308,655
Math/Reading Instructional Specialists Initiative		$1,697,841		$1,834,538
Early Reading Specialists Initiative		$1,237,723		$1,476,790
Shared Services Agreement – Chesterfield/Petersburg		$0		$600,000
FY 2014 School Division Payment Revisions		$668,918		$0
Breakfast After the Bell Incentive		$0		~~$537,297~~ *$555,634*
Total		**$21,014,215**		~~**$74,753,683**~~ ***$73,899,495***
Categorical Programs (17803)				
Adult Education		$1,051,800		$1,051,800
Adult Literacy		$2,480,000		$2,480,000
Virtual Virginia		$4,347,808		$4,597,808
American Indian Treaty Commitment		$50,258		~~$59,063~~ *$49,112*
School Lunch Program		$5,801,932		$5,801,932
Special Education - Homebound		$5,380,383		$5,488,057
Special Education - Jails		$3,521,484		~~$3,688,850~~ *$3,366,653*
Special Education - State Operated Programs		$32,755,271		$33,737,931
Total		**$55,388,936**		~~**$56,905,441**~~ ***$56,573,293***
Lottery (17805)				
Foster Care		$8,689,453		~~$8,824,359~~

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				$9,110,683
At-Risk Add-On	$89,587,381			~~$89,641,183~~ *$89,191,285*
Virginia Preschool Initiative	$68,300,254			~~$71,996,399~~ *$70,651,478*
Early Reading Intervention	$17,714,461			~~$17,778,143~~ *$17,501,316*
Mentor Teacher	$1,000,000			$1,000,000
K-3 Primary Class Size Reduction	$113,675,099			~~$117,634,756~~ *$112,230,445*
School Breakfast Program	$3,484,111			~~$3,948,823~~ *$3,796,205*
SOL Algebra Readiness	$12,107,540			~~$12,159,318~~ *$11,989,787*
Regional Alternative Education	$8,075,871			~~$8,219,783~~ *$8,141,554*
ISAEP	$2,247,581			$2,247,581
Special Education – Regional Tuition	$79,503,166			~~$84,204,352~~ *$83,126,575*
Career and Technical Education – Categorical	$10,400,829			$10,400,829
Project Graduation	$2,774,478			$2,774,478
Virginia Teacher Corps (NCLB/EFAL)	$415,000			$415,000
Race to GED (NCLB/EFAL)	$2,410,988			$2,410,988
Path to Industry Certification (NCLB/EFAL)	$1,331,464			$1,331,464
Supplemental Basic Aid	$921,278			~~$932,161~~ *$986,771*
English as a Second Language	$49,367,794			~~$50,817,295~~ *$49,233,201*
Textbooks (split funded)	$66,576,395			~~$44,931,013~~ *$62,415,907*
Remedial Summer School (split funded)	$21,970,607			$0
Total	**$560,553,750**			~~**$531,667,925**~~ ***$538,955,547***
Technology – VPSA	$66,556,300			~~$71,163,200~~ *$66,880,700*
Security Equipment - VPSA	$6,000,000			$6,000,000
Special one-time payment to teacher retirement fund	$0			$192,884,000

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

A. Definitions

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

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

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b. Except as otherwise provided herein, by statute, or by precedent, all appropriations to the Department of Education shall be calculated using March 31 ADM unadjusted for half-day kindergarten programs, estimated at 1,236,529.34 the first year and ~~1,244,214.54~~ *1,239,594.01* the second year. March 31 ADM for half-day kindergarten shall be adjusted at 85 percent.

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

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

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

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

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

4.a. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The composite index is the sum of 2/3 of the index of wealth per pupil in unadjusted March 31 ADM reported for the first seven (7) months of the 2011-2012 school year and 1/3 of the index of wealth per capita (population estimates for 2011 as determined by the Weldon Cooper Center for Public Service of the University of Virginia) multiplied by the local nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 2011 - 50 percent; (2) adjusted gross income for the calendar year 2011 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar year 2011 which are subject to the state general sales and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index element for a locality is its sum per March 31 ADM, or per capita, expressed as a percentage of the state average per March 31 ADM, or per capita, for the same element. A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing all payments based on the composite index of local ability-to-pay. Each constituent index element for a locality used to determine the composite index of local ability-to-pay for the current biennium shall be the latest available data for the specified official base year provided to the Department of Education by the responsible source agencies no later than November 15, 2013.

b. For any locality whose total calendar year 2011 Virginia Adjusted Gross Income is comprised of at least 3 percent or more by nonresidents of Virginia, such nonresident income shall be excluded in computing the composite index of ability-to-pay. The Department of

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Education shall compute the composite index for such localities by using adjusted gross income data which exclude nonresident income, but shall not adjust the composite index of any other localities. The Department of Taxation shall furnish to the Department of Education such data as are necessary to implement this provision.

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

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

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

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

5) JLARC is hereby directed, with assistance from the Commission on Local Government, to analyze and make recommendations going forward regarding the most effective balance between the costs of incentives for government and school consolidations with the expected resulting savings and operational benefits, and how best to structure such state incentives to achieve both clarity for localities as well as justification that incentives are adequate, but not more than necessary. JLARC shall complete its study and submit a final report no later than October 1, 2014.

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

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

5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on the composite index of local ability-to-pay of the cost required by all the Standards of Quality minus its estimated revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item, both of which are returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in this Item, collected by the Department of Education and distributed to school divisions in the fiscal year in which the school year begins.

6. "Required Local Match" - The locality's required share of program cost based on the

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composite index of local ability-to-pay for all Lottery and Incentive programs, where required, in which the school division has elected to participate in a fiscal year.

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

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

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

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

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

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

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

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

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

16. To provide temporary flexibility, notwithstanding any other provision in statute or in this Item, school divisions may elect to increase the teacher to pupil staffing ratios in kindergarten through grade 7 and English classes for grades 6 through twelve by one additional student; the teacher to pupil staffing ratio requirements for Elementary Resource teachers, Prevention, Intervention and Remediation, English as a Second Language, Gifted and Talented, Career and Technical funded programs (other than on Career and Technical courses where school

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divisions will have to maintain a maximum class size based on federal Occupational Safety & Health Administration safety requirements) are waived; and the instructional and support technology positions, librarians and guidance counselors staffing ratios for new hires are waived.

17. To provide additional flexibility, notwithstanding the provisions of § 22.1-79.1, Code of Virginia, any school division that was granted a waiver regarding the opening date of the school year for the 2011-12 school year under the good cause requirements shall continue to be granted a waiver for the 2014-15 school year and the 2015-2016 school year.

I VETO THIS ITEM. /s/ Terence R. McAuliffe (6/21/14) (Vetoed item is enclosed in brackets.)

[19. Out of this appropriation, up to $600,000 the second year from the general fund may be used to support transitional incentive costs of a mutually beneficial School Services Agreement and Tuition Contract between Petersburg and Chesterfield. Upon signed agreement by the relevant local governments and school divisions, the parties may jointly submit application to the State Superintendent of Public Instruction for transitional incentive costs which may be based on part of the difference in per pupil spending between the two school divisions. **]**

B. General Conditions

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

Instructional Position	First Year Salary	Second Year Salary
Elementary Teachers	$45,822	$45,822
Elementary Assistant Principals	$65,037	$65,037
Elementary Principals	$79,796	$79,796
Secondary Teachers	$48,125	$48,125
Secondary Assistant Principals	$68,863	$68,863
Secondary Principals	$87,954	$87,954
Instructional Aides	$16,613	$16,613

a.1) Payment by the state to a local school division shall be based on the state share of fringe benefit costs of 55 percent of the employer's cost distributed on the basis of the composite index.

2) A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing fringe benefit funds under this provision.

3) The state payment to each school division for retirement, social security, and group life insurance costs for non-instructional personnel is included in and distributed through Basic Aid.

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

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

2. Each locality shall offer a school program for all its eligible pupils which is acceptable to the Department of Education as conforming to the Standards of Quality program requirements.

3. In the event the statewide number of pupils in March 31 ADM results in a state share of cost exceeding the general fund appropriation in this Item, the locality's state share of Basic Aid shall be reduced proportionately so that this general fund appropriation will not be exceeded. In addition, the required local share of Basic Aid shall also be reduced proportionately to the reduction in the state's share.

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4. The Department of Education shall make equitable adjustments in the computation of indices of wealth and in other state-funded accounts for localities affected by annexation, unless a court of competent jurisdiction makes such adjustments. However, only the indices of wealth and other state-funded accounts of localities party to the annexation will be adjusted.

5. In the event that the actual revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item (both of which are returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service) for sales in the fiscal year in which the school year begins are different from the number estimated as the basis for this appropriation, the estimated state sales and use tax revenues shall not be adjusted.

6. This appropriation shall be apportioned to the public schools with guidelines established by the Department of Education consistent with legislative intent as expressed in this act.

7.a. Appropriations of state funds in this Item include the number of positions required by the Standards of Quality. This Item includes a minimum of 51 professional instructional positions and aide positions (C 2); Education of the Gifted, 1.0 professional instructional position (C 3); Occupational-Vocational Education Payments and Special Education Payments; a minimum of 6.0 professional instructional positions and aide positions (C 4 and C 5) for each 1,000 pupils in March 31 ADM each year in support of the current Standards of Quality. Funding in support of one hour of additional instruction per day based on the percent of students eligible for the federal free lunch program with a pupil-teacher ratio range of 18:1 to 10:1, depending upon a school division's combined failure rate on the English and Math Standards of Learning, is included in Remedial Education Payments (C 8).

b. No actions provided in this section signify any intent of the General Assembly to mandate an increase in the number of instructional personnel per 1,000 students above the numbers explicitly stated in the preceding paragraph.

c. Appropriations in this Item include programs supported in part by transfers to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this Act. These transfers combined together with other appropriations from the general fund in this Item funds the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support technology position per 1,000 students; one instructional technology position per 1,000 students; and a full daily planning period for teachers at the middle and high school levels in order to relieve the financial pressure these education programs place on local real estate taxes.

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

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

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

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

2) The Department of Education shall also make calculations after the close of the school year to verify that the required local effort level, based on actual March 31 Average Daily Membership, was met. Pursuant to § 22.1-97, Code of Virginia, the Department of Education shall report annually, no later than the first day of the General Assembly session, to the House Committees on Education and Appropriations and the Senate Committees on Finance and Education and Health, the results of such calculations made after the close of the school year and the degree to which each school division has met, failed to meet, or surpassed its required local expenditure. The Department of Education shall specify the calculations to determine if a school division has expended its required local expenditure for the Standards of Quality. This calculation may include but is not limited to the following calculations:

b. The total expenditures for operation, defined as total expenditures less all capital outlays, expenditures for debt service, facilities, non-regular day school programs (such as adult education, preschool, and non-local education programs), and any transfers to regional programs will be calculated.

c. The following state funds will be deducted from the amount calculated in paragraph a. above: revenues from the state sales and use tax (returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in this Item) for sales in the fiscal year in which the school year begins; total receipts from state funds (except state funds for non-regular day school programs and state funds used for capital or debt service purposes); and the state share of any balances carried forward from the previous fiscal year. Any qualifying state funds that remain unspent at the end of the fiscal year will be added to the amount calculated in paragraph a. above.

d. Federal funds, and any federal funds carried forward from the previous fiscal year, will also be deducted from the amount calculated in paragraph a above. Any federal funds that remain unspent at the end of the fiscal year and any capital expenditures paid from federal funds will be added to the amount calculated in paragraph a. above.

e. Tuition receipts, receipts from payments from other cities or counties, and fund transfers will also be deducted from the amount calculated in paragraph a, then

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

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

h. A locality whose expenditure in fact exceeds the required amount from local funds may not reduce its expenditures unless it first complies with all of the Standards of Quality.

9.a. Any required local matching funds which a locality, as of the end of a school year, has not expended, pursuant to this Item, for the Standards of Quality shall be paid by the locality into the general fund of the state treasury. Such payments shall be made not later than the end of the school year following that in which the under expenditure occurs.

b. Whenever the Department of Education has recovered funds as defined in the preceding

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paragraph a, the Secretary of Education is authorized to repay to the locality affected by that action, seventy-five percent (75%) of those funds upon his determination that:

1) The local school board agrees to include the funds in its June 30 ending balance for the year following that in which the under expenditure occurs;

2) The local governing body agrees to reappropriate the funds as a supplemental appropriation to the approved budget for the second year following that in which the under expenditure occurs, in an appropriate category as requested by the local school board, for the direct benefit of the students;

3) The local school board agrees to expend these funds, over and above the funds required to meet the required local expenditure for the second year following that in which the under expenditure occurs, for a special project, the details of which must be furnished to the Department of Education for review and approval;

4) The local school board agrees to submit quarterly reports to the Department of Education on the use of funds provided through this project award; and

5) The local governing body and the local school board agree that the project award will be cancelled and the funds withdrawn if the above conditions have not been met as of June 30 of the second year following that in which the under expenditure occurs.

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

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

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

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

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

14. By November 15 of each year, the Department of Planning and Budget, in cooperation with the Department of Education, shall prepare and submit a preliminary forecast of Standards of Quality expenditures, based upon the most current data available, to the Chairmen of the House Appropriations and Senate Finance Committees. In odd-numbered

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years, the forecast for the current and subsequent two fiscal years shall be provided. In even-numbered years, the forecast for the current and subsequent fiscal year shall be provided. The forecast shall detail the projected March 31 Average Daily Membership and the resulting impact on the education budget.

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

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

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

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

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

20. Notwithstanding §22.1-638 D., Code of Virginia, and other language in this Item, the Department of Education shall, for purposes of calculating the state and local shares of the Standards of Quality, apportion state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based on the July 1, 2012, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2013, estimate of school age population provided by the Weldon Cooper Center for Public Service.

Notwithstanding §22.1-638 D., Code of Virginia, and other language in this Item, the State Comptroller shall distribute the state sales and use tax revenues dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based on the July 1, 2012, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2013, estimate of school age population provided by the Weldon Cooper Center for Public Service.

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

22. This Item includes appropriations totaling an estimated $560,553,750 the first year and ~~$531,667,925~~ *$538,955,547* the second year from the revenues deposited to the Lottery Proceeds Fund. These amounts are appropriated for distribution to counties, cities, and towns to support public education programs pursuant to Article X, Section 7-A Constitution of Virginia. Any county, city, or town which accepts a distribution from this fund shall provide its portion of the cost of maintaining an educational program meeting the Standards of Quality pursuant to Section 2 of Article VIII of the Constitution without the use of distributions from the fund.

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

24.a. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2015 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2015 may carry over into FY 2016 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2016 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the

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funds to the school division for expenditure in FY 2016.

b. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2016 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2016 may carry over into FY 2017 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2017 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2017.

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

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

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

28. Notwithstanding Title 22.1, Chapter 4.1, Code of Virginia, no schools shall be transferred to the supervision of the Opportunity Educational Institution nor shall any funds be transferred to the Institution.

29. It is the intent of the General Assembly that the Department of Planning and Budgeting will develop a matrix of best practices and common recommendations previously reported in School Efficiency Reviews such that school divisions may use the model as a guideline for self-directed improvements toward better financial management and use of school division resources.

C. Apportionment

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

2. School Employee Retirement Contributions

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

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

c. This appropriation includes $192,884,000 the second year from the Literary Fund to be paid to the Virginia Retirement System teacher retirement fund as a one-time payment toward the ten year deferred contribution balance. The Department of Education is authorized to transfer the amount to the Virginia Retirement System on July 1, 2015. The Director of the Department of Planning and Budget is authorized to move this appropriation to the first year in the event that Literary Fund proceeds from unclaimed property are sufficient to make the full payment before June 30, 2015.

3. School Employee Social Security Contributions

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

b. Appropriations for contributions in paragraphs 2 and 3 above include payments from funds derived from the principal of the Literary Fund in accordance with Article III, Section 8, of the Constitution of Virginia. The amounts set aside from the Literary Fund for these purposes shall not exceed $182,855,378 the first year and $165,223,825 the second year.

4. School Employee Insurance Contributions

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

5. Basic Aid Payments

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

2) This appropriation includes funding to recognize the common labor market in the Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area. Standards of Quality salary payments for instructional positions in school divisions of the localities set out below have been adjusted for the equivalent portion of the Cost of Competing Adjustment (COCA) rates that are paid to local school divisions in Planning District 8. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, the SOQ payments have been increased by 25 percent each year of the COCA rates paid to school divisions in Planning District 8.

b. The state share for a locality shall be equal to the Basic Operation Cost for that locality less the locality's estimated revenues from the state sales and use tax (returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in this Item), in the fiscal year in which the school year begins and less the required local expenditure.

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

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

2) The amounts deducted from Basic Aid for the education of intellectually disabled persons shall be transferred to the Department of Behavioral Health and Developmental Services in support of the cost of educating such persons; the amount deducted from Basic Aid for the education of emotionally disturbed persons shall be used to cover extraordinary expenses incurred in the education of such persons. The Department of Education shall establish guidelines to implement these provisions and shall provide for the periodic transfer of sums due from each local school division to the Department of Behavioral Health and Developmental Services and for Special Education categorical payments. The amount of the actual transfers will be based on data accumulated during the prior school year.

e. 1) The apportionment to localities of all driver education revenues received during the school year shall be made as an undesignated component of the state share of Basic Aid in accordance with the provisions of this Item. Only school divisions complying with the standardized program established by the Board of Education shall be entitled to participate in the distribution of state funds appropriated for driver education. The Department of

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Education will deduct a designated amount per pupil from a school division's Basic Aid payment when the school division is not in compliance with § 22.1-205 C, Code of Virginia. Such amount will be computed by dividing the current appropriation for the Driver Education Fund by actual March 31 ADM.

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

f. Textbooks

1) The appropriation in this Item includes ~~$21,908,342~~ *$4,209,784* the second year from the general fund and $66,576,395 the first year and ~~$44,931,013~~ *$62,415,907* the second year from the Lottery Proceeds Fund as the state's share of the cost of textbooks based on a per pupil amount of $96.22 the first year and $96.22 the second year. The state's share of textbooks will be fund split between the general fund and Lottery Proceeds Fund in the second year only. A school division shall appropriate these funds for textbooks or any other public education instructional expenditure by the school division. The state's distributions for textbooks shall be based on adjusted March 31 ADM. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

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

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

4) Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2015, or June 30, 2016, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose. School divisions are permitted to carry forward any remaining balance of textbook funds until the funds are expensed for a qualifying purpose.

g. The one-cent state sales and use tax earmarked for education and the sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item which are distributed to localities on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service as specified in this Item shall be reflected in each locality's annual budget for educational purposes as a separate revenue source for the current fiscal year.

h. The appropriation for the Standards of Quality for Public Education (SOQ) includes amounts estimated at $350,300,000 the first year and ~~$362,900,000~~ *$366,700,000* the second year from the amounts transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this act which are derived from the 0.375 cent increase in the state sales and use tax levied pursuant to § 58.1-638, Code of Virginia. These additional funds are provided to local school divisions and local governments in order to relieve the financial pressure education programs place on local real estate taxes.

i. From the total amounts in paragraph h. above, an amount estimated at $233,600,000 the first year and ~~$241,900,000~~ *$244,500,000* the second year (approximately 1/4 cent of sales and use tax) is appropriated to support a portion of the cost of the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support and one instructional technology position per 1,000 students; a full daily planning period for teachers at the middle and high school levels in order to relieve the pressure on local real estate taxes and shall be taken into account by the governing body of the county, city, or town in setting real estate tax rates.

j. From the total amounts in paragraph h. above, an amount estimated at $122,800,000 the

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first year and ~~$127,500,000~~ *$122,200,000* the second year (approximately 1/8 cent of sales and use tax) is appropriated in this Item to distribute the remainder of the revenues collected and deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service as specified in this Item.

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

6. Education of the Gifted Payments

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

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

7. Occupational-Vocational Education Payments

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

b. An amount estimated at $108,906,772 the first year and $109,140,109 the second year from the general fund included in Basic Aid Payments relates to vocational education programs in support of the Standards of Quality.

8. Special Education Payments

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

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

9. Remedial Education Payments

a. An additional payment estimated at $100,686,259 the first year and ~~$100,910,614~~ *$100,487,258* the second year from the general fund shall be disbursed by the Department of Education to support the Board of Education's Standards of Quality Prevention, Intervention, and Remediation program adopted in June 2003.

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

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

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

e. An additional state payment estimated at $89,587,381 the first year and ~~$89,641,183~~ *$89,191,285* the second year from the Lottery Proceeds Fund shall be disbursed based on the estimated number of federal Free Lunch participants, in support of programs for students who are educationally at risk. The additional payment shall be based on the state share of:

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

2) An addition to the add-on, based on the concentration of children qualifying for the federal Free Lunch Program. Based on its percentage of Free Lunch participants, each school division will receive between 1 and 12 percent in additional basic aid per Free Lunch participant. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

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

b) To receive these funds, each school division shall certify to the Department of Education that the state and local share of the at-risk payment will be used to support approved programs for students who are educationally at risk. These programs may include: Dropout Prevention, community and school-based truancy officer programs, Advancement Via Individual Determination (AVID), Project Discovery, Reading Recovery, programs for students who speak English as a second language, or programs related to increasing the success of disadvantaged students in completing a high school degree and providing opportunities to encourage further education and training. Further, any new funds a school division receives in excess of the amounts received in FY 2008 may be used first to provide data coordinators or to purchase similar services for schools that have not met Adequate Yearly Progress (AYP) under the federal No Child Left Behind Act or are not fully accredited under the Standards of Accreditation. The data coordinator position is intended to provide schools with needed support in the area of data analysis and interpretation for instructional purposes, as well as overall data management and the administration of state assessments. The position would primarily focus on data related to instruction and school improvement, including: student assessment, student attendance, student/teacher engagement, behavior referrals, suspensions, retention, and graduation rates.

f. Regional Alternative Education Programs

1) An additional state payment of $8,075,871 the first year and ~~$8,219,783~~ *$8,141,554* the second year from the Lottery Proceeds Fund shall be disbursed for Regional Alternative Education programs. Such programs shall be for the purpose of educating certain expelled students and, as appropriate, students who have received suspensions from public schools and students returned to the community from the Department of Juvenile Justice.

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

3) a) Regional alternative education programs are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs. This incremental

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per pupil payment shall be adjusted for the composite index of local ability-to-pay of the school division that counts such students attending such program in its March 31 Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the regional programs for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the school day or school year that the student does not attend such program.

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

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

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

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

g. Remedial Summer School

1) This appropriation includes $3,296,232 the first year and ~~$27,118,392~~ *$25,524,750* the second year from the general fund and $21,970,607 the first year from the Lottery Proceeds Fund for the state's share of Remedial Summer School Programs. These funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer school session or during an intersession in the case of year-round schools. These funds may be used in conjunction with other sources of state funding for remediation or intervention. School divisions shall have maximum flexibility with respect to the use of these funds and the types of remediation programs offered; however, in exercising this flexibility, students attending these programs shall not be charged tuition and no high school credit may be awarded to students who participate in this program.

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

10. K-3 Primary Class Size Reduction Payments

a. An additional payment estimated at $113,675,099 the first year and ~~$117,634,756~~ *$112,230,445* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education as an incentive for reducing class sizes in the primary grades.

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

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

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

Qualifying School Percentage of Students Approved

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

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

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

11. Literary Fund Subsidy Program Payments

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

b. The Department of Education may offer up to $52,884,000 million in the second year as school construction loans from the Literary Fund. In addition, the Department of Education may offer Literary Fund loans from the uncommitted balances of the Literary Fund after meeting the obligations of the interest rate subsidy sales and the amounts set aside from the Literary Fund for Debt Service Payments for Education Technology in this Item.

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

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

d. The chairman of the Board of Commissioners of the VPSA shall, on or before November 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate

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setting forth his estimate of total debt service during each fiscal year of the biennium on bonds of the VPSA issued and projected to be issued during such biennium pursuant to the bond resolution referred to in paragraph a above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

12. Educational Technology Payments

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

b. The Department of Education shall authorize amounts estimated at $11,912,250 the first year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2010.

c. The Department of Education shall authorize amounts estimated at $11,670,000 the first year and $11,670,750 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2011.

d. 1) The Department of Education shall authorize amounts estimated at $11,617,000 the first year and $11,620,250 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2012.

2) It is the intent of the General Assembly to authorize sufficient appropriate Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2016-18 biennial budget for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program in FY 2016.

e. 1) The Department of Education shall authorize amounts estimated at $12,130,750 the first year and $12,131,750 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2013.

2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2016-18 biennial budget for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program in FY 2017 and FY 2018.

f. 1) The Department of Education shall authorize amounts estimated at $13,245,122 the first year and $13,243,250 the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in 2014.

2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2016-18 and 2018-20 biennial budgets for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for this program in fiscal years 2017, 2018, and 2019.

g. 1) An education technology grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at $66,566,300 in FY 2015 and ~~$71,163,200~~ *$66,880,700* in FY 2016. Proceeds of the notes will be used to establish a computer-based instructional and testing system for the Standards of Learning (SOL) and to develop the capability for high speed Internet connectivity at high schools followed by middle schools followed by elementary schools. School divisions shall use these funds first to develop and maintain the capability to

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support the administration of online SOL testing for all students with the exception of students with a documented need for a paper SOL test.

2) The Department of Education shall authorize amounts estimated at ~~$13,993,403~~ *$13,808,931* the second year from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in FY 2015.

3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for education technology grant programs in FY 2015 and in FY 2016. In developing the proposed 2016-2018, 2018-2020, and 2020-2022 biennial budgets for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2017, 2018, 2019, 2020, and 2021.

4) Grant funds from the issuance of $66,556,300 in FY 2015 and ~~$71,163,200~~ *$66,880,700* in FY 2016 in equipment notes are based on a grant of $26,000 per school and $50,000 per school division. For purposes of this grant program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2014, for the FY 2015 issuance, and September 30, 2015, for the FY 2016 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, and the School for the Deaf and the Blind. Schools that serve only pre-kindergarten students shall not be eligible for this grant.

5) Supplemental grants shall be allocated to eligible divisions to support schools that are not fully accredited in accordance with this paragraph. Schools that include a ninth grade that administer SOL tests in Spring 2014 and that are not fully accredited for the second consecutive year, based on school accreditation ratings in effect for FY 2014 and FY 2015, or that have 15 percent of students in the English as a Second Language count and also have free lunch eligibility for the school of over one-third of the students, will qualify to participate in the Virginia e-Learning Backpack Initiative in FY 2015 and receive: (1) a supplemental grant of $400 per student reported in ninth grade fall membership in a qualifying school for the purchase of a laptop or tablet for that student and (2) a supplemental grant of $2,400 per qualifying school to purchase two content creation packages for teachers. Schools eligible to receive this supplemental grant in FY 2015 shall continue to receive the grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. Schools that administer SOL tests in Spring 2015 and that are not fully accredited for the second consecutive year based on school accreditation ratings in effect for FY 2015 and FY 2016 will qualify to participate in the initiative in FY 2016. Schools eligible for the supplemental grants in previous fiscal years shall continue to be eligible for the remaining years of their grant award. Schools eligible to receive this supplemental grant in FY 2016 shall continue to receive the grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. Grants awarded to qualifying schools that do not have grades 10, 11, or 12 may transition with the students to the primary receiving school for all years subsequent to grade 9. Schools are eligible to receive these grants for a period of up to four years beginning in FY 2014 shall not be eligible to receive a separate award in the future once the original award period has concluded. Schools that are fully accredited or that are new schools with conditional accreditation in their first year shall not be eligible to receive this supplemental grant.

6) Required local match:

a) Localities are required to provide a match for these funds equal to 20 percent of the grant amount, including the supplemental grants provided pursuant to paragraph g. 5). At least 25 percent of the local match, including the match for supplemental grants, shall be used for teacher training in the use of instructional technology, with the remainder spent on other required uses. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match requirement.

b) School divisions that administer 100 percent of SOL tests online in all elementary, middle, and high schools may use up to 75 percent of their required local match to purchase targeted technology-based interventions. Such interventions may include the necessary technology and

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software to support online learning, technology-based content systems, content management systems, technology equipment systems, information and data management systems, and other appropriate technologies that support the individual needs of learners. School divisions that receive supplemental grants pursuant to paragraph g.5) above shall use the funds in qualifying schools to purchase laptops and tablets for ninth grade students reported in fall membership and content creation packages for teachers.

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

8) Funds shall be used in the following manner:

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

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

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

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

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

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

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

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

2) The Chairman of the Board of Commissioners of the VPSA shall, on or before November 1 of each year, make and deliver to the Governor and the Secretary of Finance

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a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes of the VPSA issued and projected to be issued during such biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

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

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

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

l. The Department of Education shall survey school divisions in the second year regarding their interest in using the education technology grants for lease expenditures if allowable sources of funding were available for such expenditures. School divisions shall submit responses to the survey by September 1, 2015, and the Department of Education shall provide a summary of the responses to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2015.

13. Security Equipment Payments

1) A security equipment grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at up to $6,000,000 in fiscal year 2015 and $6,000,000 in fiscal year 2016 in conjunction with the Virginia Public School Authority technology notes program authorized in C.12. of this Item. Proceeds of the notes will be used to help offset the related costs associated with the purchase of appropriate security equipment that will improve and help ensure the safety of students attending public schools in Virginia.

2) The Department of Education shall authorize amounts estimated at $2,439,878 the first year and ~~$3,699,745~~ *$3,683,430* the second year from the Literary Fund to provide debt service payments for the security equipment grant programs conducted through the Virginia Public School Authority in fiscal years 2013, 2014, and 2015.

3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2016-18, 2018-2020, and 2020-2022 biennial budgets for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2017, 2018, 2019, 2020, and 2021.

4) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the

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amounts authorized for debt service due on such bonds or notes on such date, there is hereby appropriated to the Virginia Public School Authority from the general fund a sum equal to such deficiency.

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

6) Grant award funds from the issuance of up to $6,000,000 in fiscal year 2015 and $6,000,000 in fiscal year 2016 in equipment notes shall be distributed to eligible school divisions. The grant awards will be based on a competitive grant basis of up to $100,000 per school division. School divisions will be permitted to apply annually for grant funding. For purposes of this program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2014, for the fiscal year 2015 issuance, and September 30, 2015, for the fiscal year 2016 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, and the Virginia School for the Deaf and the Blind.

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

8) It is also the intent of the General Assembly that the total amount of the grant awards shall not exceed $30,000,000 over any ongoing revolving five year period.

9) Required local match:

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

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

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

14. Virginia Preschool Initiative Payments

a.1) It is the intent of the General Assembly that a payment estimated at $68,300,254 the first year and ~~$71,996,399~~ *$70,651,478* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to schools and community-based organizations to provide quality preschool programs for at-risk four-year-olds unserved by Head Start program funding. In no event shall distributions from the Lottery Proceeds Fund be made directly to community-based or private providers.

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

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3) The Department of Education, in cooperation with the Council on Child Day Care and Early Childhood Programs, shall establish academic standards that are in accordance with appropriate preparation for students to be ready to successfully enter kindergarten. These standards shall be established in such a manner as to be measurable for student achievement and success. Students shall be required to be evaluated in the fall and in the spring by each participating school division and the school divisions must certify that the Virginia Preschool Initiative program follows the established standards in order to receive the funding for quality preschool education and criteria for the service components. Such guidelines shall be consistent with the findings of the November 1993 study by the Board of Education, the Department of Education, and the Council on Child Day Care and Early Childhood Programs.

4) a) Grants shall be distributed based on an allocation formula providing the state share of a $6,000 grant for 100 percent of the unserved at-risk four-year-olds in each locality for a full-day program. The number of unserved at-risk four-year-olds in each locality shall be based on the projected number of kindergarten students, updated once each biennium for the Governor's introduced biennial budget. In the first year only, the Department shall adjust the additional slots calculated to fund such school divisions at the same number of slots actually used in FY 2014 on a prorated basis up to $1,000,000. For the second year only, in no case shall a school division be eligible for fewer slots than they actually used for this program in FY 2014 on a prorated basis up to $3,631,581. Programs operating half-day shall receive state funds based on a fractional basis determined by the pro-rata portion of a full-day, school year program provided. Half-day programs shall operate for a minimum of three hours of classroom instructional time per day, excluding breaks for lunch or recess, and grants to half-day programs shall be funded based on the state share of $3,000 per unserved at-risk four-year-old in each locality. Full-day programs shall operate for a minimum of five and one-half instructional hours, excluding breaks for meals and recess. No additional state funding is provided for programs operating greater than three hours per day but less than five and one-half hours per day. In determining the state and local shares of funding, the composite index of local ability-to-pay is capped at 0.5000.

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

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

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

3) A local match, based on the composite index of local ability-to-pay, shall be required. For purposes of meeting the local match, localities may use local expenditures for existing qualifying programs, however, at least seventy-five percent of the local match will be cash and no more than twenty-five percent will be in-kind. In-kind contributions are defined as cash outlays that are made by the locality that benefit the program but are not directly charged to the program. The value of fixed assets cannot be considered as an in-kind contribution. Localities shall also continue to pursue and coordinate other funding sources, including child care subsidies. Funds received through this program must be used to supplement, not supplant, any funds currently provided for programs within the locality. However, in the event a locality is prohibited from continuing the previous level of support to programs for at-risk four-year-olds from Title I of the federal Elementary and Secondary Education Act (ESEA), the state and local funds provided in this grants program may be used to continue services to these Title I students. Such prohibition may occur due to amendments to the allocation formula in the reauthorization of ESEA as the No Child Left Behind Act of 2001 or due to a percentage reduction in a locality's Title I allocation in 2014-2015 or 2015-2016. Any locality

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so affected shall provide written evidence to the Superintendent of Public Instruction and request his approval to continue the services to Title I students.

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

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

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

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

d.1) Local plans must indicate the number of at-risk four-year-old children to be served, and the eligibility criteria for participation in this program shall be consistent with the economic and educational risk factors stated in the 2014-2015 programs guidelines that are specific to: (i) family income at or below 200 percent of poverty, (ii) homelessness, (iii) student's parents or guardians are school dropouts, or (iv) family income is less than 350 percent of federal poverty guidelines in the case of students with special needs or disabilities.

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

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

2) A pre-application session shall be provided by the Department and the Council on Child Day Care and Early Childhood Programs prior to the proposal deadline. The Department shall provide interested localities with information on models for service delivery, methods of coordinating funding streams, such as funds to match federal IV-A child care dollars, to maximize funding without supplanting existing sources of funding for the provision of services to at-risk four-year-old children. A priority for technical assistance in the design of programs shall be given to localities where the majority of the at-risk four-year-old population is currently unserved.

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

15. Early Reading Intervention Payments

a. An additional payment of $17,714,461 the first year and ~~$17,778,143~~ *$17,501,316* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing early reading

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intervention services to students in grades kindergarten through 3 who demonstrate deficiencies based on their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests of any local school board which requests authority to use a test other than the state-provided test to ensure that such local test uses criteria for the early diagnosis of reading deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

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

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

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

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

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

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

16. Standards of Learning Algebra Readiness Payments

a. An additional payment of $12,107,540 the first year and ~~$12,159,318~~ *$11,989,787* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing math intervention services to students in grades 6, 7, 8 and 9 who are at-risk of failing the Algebra I end-of-course test, as demonstrated by their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests to ensure that such local test uses state-provided criteria for diagnosis of math deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of

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Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

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

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

17. School Construction Grants Program Escrow

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

18. English as a Second Language Payments

A payment of $49,367,794 the first year and ~~$50,817,295~~ *$49,233,201* the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions to support the state share of 17 professional instructional positions per 1,000 students for whom English is a second language. Local school divisions shall provide a local match based on the composite index of local ability-to-pay.

19. Special Education Instruction Payments

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

b. Out of the appropriations in this Item, the Department of Education shall make available, subject to implementation by the Superintendent of Public Instruction, an amount estimated at $79,503,166 the first year and ~~$84,204,352~~ *$83,126,575* the second year from the Lottery Proceeds Fund for the purpose of the state's share of the tuition rates for approved public school regional programs. Notwithstanding any contrary provision of law, the state's share of the tuition rates shall be based on the composite index of local ability-to-pay.

c. Out of the amounts for Financial Assistance for Categorical Programs, $32,755,271 the first year and $33,737,931 the second year from the general fund is appropriated to permit the Department of Education to enter into agreements with selected local school boards for the provision of educational services to children residing in certain hospitals, clinics, and detention homes by employees of the local school boards. The portion of these funds provided for educational services to children residing in local or regional detention homes shall only be determined on the basis of children detained in such facilities through a court order issued by a court of the Commonwealth. The selection and employment of instructional and administrative personnel under such agreements will be the responsibility of the local school board in accordance with procedures as prescribed by the local school board. State payments for the first year to the local school boards operating these programs will be based on certified expenditures from the fourth quarter of FY 2014 and the first three quarters of FY 2015. State payments for the second year to the local school boards operating these programs will be based on certified expenditures from the fourth quarter of FY 2015 and the first three quarters of FY 2016.

d. By October 15, 2014, the Department of Education shall present to the Virginia Board of Education, options for increasing student to teacher ratios or other savings, including requesting the State Board of Education or federal government to consider waiving certain teacher staffing requirements given the uniqueness of the setting, prorating funding if localities choose to operate based on unnecessary gender separation, whether there may be

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options for achieving efficiencies in the 23 centers based on regional groupings based on proximity, working with the Department of Juvenile Justice and Department of Correctional Education if appropriate, and a review of how other states handle education in juvenile detention centers. The Department shall also submit the report to the Chairmen of the Senate Finance and House Appropriations Committees by October 31, 2014.

20. Vocational Education Instruction Payments

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

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

21. Adult Education Payments

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

22. General Education Payments

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

b. This appropriation includes $2,774,478 the first year from the general fund and $2,774,478 the second year from the Lottery Proceeds Fund to support Project Graduation and any associated administrative and contractual service expenditures related to this initiative.

23. Virtual Virginia Payments

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

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

24. Individual Student Alternative Education Program (ISAEP) Payments

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

25. Foster Children Education Payments

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

b. This appropriation provides $8,689,453 the first year and ~~$8,824,359~~ *$9,110,683* the second year from the Lottery Proceeds Fund to support children attending public school who

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have been placed in foster care or other such custodial care across jurisdictional lines, as provided by subsections A and B of § 22.1-101.1, Code of Virginia. To the extent these funds are not adequate to cover the full costs specified therein, the Department is authorized to expend unobligated balances in this Item for this support.

26. Sales Tax Payments

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

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

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

27. Adult Literacy Payments

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

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

28. Governor's School Payments

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

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

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

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

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

f.1) Regular school year Governor's Schools are funded through this Item based on the

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state's share of the incremental per pupil cost for providing such programs for each student attending a Governor's School up to a cap of 1,725 students per Governor's School in the first year and a cap of 1,725 students per Governor's School in the second year. This incremental per pupil payment shall be adjusted for the composite index of the school division that counts such students attending an academic year Governor's School in their March 31 Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the Governor's Schools for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the day that the student does not attend a Governor's School.

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

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

g. All regional Governor's Schools are encouraged to provide full-day grades 9 through 12 programs. Out of the amounts in this Item, $100,000 the second year from the general fund is provided for existing Governor's Schools, as distributed by the Superintendent of Public Instruction, to plan for or study the feasibility of expanding, including via a merger with another Governor's School.

h. Out of this appropriation, $100,000 the first year from the general fund is available for the Department of Education to develop a model proposal that establishes a Governor's School that focuses on Career and Technical Education.

i. Out of the appropriation included in paragraph 36, a.1., of this Item, ~~$218,854~~ *$218,825* the second year from the general fund is included for the Academic Year Governor's School funding allocation to increase the per pupil amount up to an additional ~~$74.97~~ *$74.91* per pupil amount as an add-on for a 1.5 percent compensation incentive supplement with an effective date of August 16, 2015. In order to receive the state's allocation for the 1.5 percent compensation incentive supplement in the second year, participating Academic Year Governor's Schools shall comply with the provisions set out in paragraph 36 of this Item.

29. School Nutrition Payments

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

30. School Breakfast Payments

a. Out of this appropriation, $3,484,111 the first year and ~~$3,948,823~~ *$3,796,205* the second year from the Lottery Proceeds Fund is included for the purpose of establishing a state funded incentive program to maximize federal school nutrition revenues and increase student participation in the school breakfast program. These funds are available to any school division as a reimbursement for breakfast meals served that are in excess of the baseline established by the Department of Education. The per meal reimbursement shall be $0.22; however, the department is authorized, but not required to reduce this amount proportionately in the event

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that the actual number of meals to be reimbursed exceeds the number on which this appropriation is based so that this appropriation is not exceeded.

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

c1. Out of this appropriation, ~~$537,297~~ *$555,634* the second year from the general fund is provided to fund during the 2015-2016 school year either, an elementary school breakfast pilot program available on a voluntary basis at elementary schools where student eligibility for free or reduced lunch exceeds 45.0 percent for the participating school, or to provide additional reimbursement for eligible meals served in the current traditional school breakfast program at all grade levels in any participating school. The elementary schools participating in the pilot program shall evaluate the educational impact of the models implemented that provide school breakfasts to students after the first bell of the school day, based on the guidelines developed by the Department of Education and submit the required report to the Department of Education no later June 30, 2016.

2) The Department of Education shall communicate, through Superintendent's Memo, to school divisions the types of breakfast serving models and the criteria that will meet the requirements for this State reimbursement, which may include, but are not limited to, breakfast in the classroom, grab and go breakfast, or a breakfast after first period. School divisions may determine the breakfast serving model that best applies to its students, so long as it occurs after the instructional day has begun. For the 2015-2016 school year, the Department of Education shall monthly transfer to each school division a reimbursement rate of $0.05 per breakfast meal that meets either of the established criteria.

3) No later than July 1, 2015, the Department of Education shall provide for a pilot breakfast program application process for school divisions with eligible elementary schools, including guidelines regarding specified required data to be compiled from the prior school year or years and during the one-year pilot. The number of approved applications shall be based on the estimated number of pilot sites that can be accommodated within the approved funding level. The reporting requirements must include: student attendance and tardy arrivals, office discipline referrals, student achievement measures, teachers' responses to the impact of the pilot program before and after implementation, and the financial impact on the division's school food program. The Department of Education shall collect and compile the results of the pilot breakfast program and no later than August 1, 2016 shall submit the report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees.

31. Clinical Faculty and Mentor Teacher Program Payments

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

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

b. For Clinical Faculty programs only, provisions for a local funding or institutional

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commitment of 50 percent, to match state grants of 50 percent;

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

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

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

32. Career Switcher/Alternative Licensure Payments

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

33. Virginia Workplace Readiness Skills Assessment

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

34. Reading Specialists Initiative

a. An additional payment of $1,237,723 the first year and $1,476,790 the second year from the general fund shall be disbursed by the Department of Education to qualifying local school divisions for the purpose of providing a reading specialist for any school with a third grade that has a school-wide pass rate of less than 75 percent on the reading Standards of Learning (SOL) assessments.

b. These payments shall be based on the state's share of the cost of providing one reading specialist per qualifying school. School divisions with schools participating in this program in fiscal year 2014 shall be eligible to receive funding at 100 percent of the state share the first year and 50 percent of the state share the second year for the same schools and such schools are granted a one-year extension of the two-year waiver referenced in subsection c. for a third year in fiscal year 2016. The Department of Education is authorized to disburse additional payments to divisions from any remaining funds each year to support additional qualifying schools and shall give priority to such schools with the lowest SOL pass rates for reading or the greatest number of years accredited with warning in English. Payments to school divisions in support of such additional qualifying schools each year shall be based on 100 percent of the state share of cost.

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

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

35. Math/Reading Instructional Specialist Initiative

a. Included in this appropriation is $1,697,841 the first year and $1,834,538 the second year from the general fund in additional payments for reading or math instructional specialists at

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underperforming schools. From this amount, the state share of one reading or math specialist shall be provided to local school divisions with schools which have been denied accreditation or were accredited with warning for the third consecutive year based on school accreditation ratings for the 2013-2014 school year. Such schools shall be eligible to receive the state share of funding for both years of the biennium. In addition, following the academic review required by §22.1-253.13:3, Code of Virginia, the Department of Education shall identify up to 20 additional schools to also receive the state share of a reading or math instructional specialist. The schools eligible for such personnel are those which were accredited with warning for the second consecutive year based on school accreditation ratings for the 2012-2013 and 2013-2014 school years and that have shown no or limited improvement in student achievement in the past year. Such schools shall also be eligible to receive the state share of funding for both years of the biennium. If, following certification from a school division that it will not participate in the program, the Department is authorized to identify additional eligible schools.

b. These payments are available to any school division with a qualifying school that certifies to the Department of Education that the division has hired a math or reading instructional specialist. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

c. The Department of Education is authorized to utilize available funding appropriated to the Early Reading Specialist Initiative contained in this Item to pay for instructional specialists at additional eligible schools.

36. Compensation Supplements

a.1) The appropriation in this Item includes ~~$52,650,743~~ *$51,771,609* the second year from the general fund for the state share of a payment equivalent to a 1.5 percent salary incentive increase, effective August 16, 2015, for funded SOQ instructional and support positions. Funded SOQ instructional positions shall include the teacher, guidance counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division in the biennium. The ~~$52,650,743~~ *$51,771,609* includes ~~$218,854~~ *$218,825* referenced in paragraph 28. i., for the Academic Year Governor's Schools for a 1.5 percent salary incentive increase, effective August 16, 2015, for instructional and support positions.

2) It is the intent of the General Assembly that the instructional and support position salaries be improved in school divisions throughout the state by at least an average of 1.5 percent in the second year. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of a 1.5 percent salary increase for funded SOQ instructional and support positions, effective August 16, 2015, to school divisions which certify to the Department of Education, by June 15, 2015, that salary increases of a minimum average of 1.5 percent have been provided in the second year by January 1, 2016, to instructional and support personnel. In certifying that the salary increases have been provided, school divisions may not include any salary increases that were provided in the second year solely to offset the cost of required member contributions to the Virginia Retirement System under § 51.1-144, Code of Virginia.

b. The state funds for which the division is eligible to receive shall be matched by the local government, based on the composite index of local ability-to-pay, which shall be calculated using an effective date of January 1, 2016, as the basis for the local match requirement for both funded SOQ instructional and support positions.

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

137. Not set out.

Total for Direct Aid to Public Education			**$7,022,410,629**	**~~$7,339,205,436~~ *$7,307,219,055***
Fund Sources: General	$5,405,446,474	~~$5,560,264,011~~ *$5,520,990,008*		
Special	$895,000	$895,000		
Commonwealth Transportation	$855,027	$803,778		

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	Trust and Agency	$743,809,128	~~$890,175,750~~ *$897,463,372*		
	Federal Trust	$871,405,000	$887,066,897		
	Grand Total for Department of Education, Central Office Operations			**$7,116,151,268**	**~~$7,437,491,205~~** ***$7,405,504,824***
	General Fund Positions	136.00	141.00		
	Nongeneral Fund Positions	178.50	178.50		
	Position Level	314.50	319.50		
	Fund Sources: General	$5,456,536,245	~~$5,615,260,435~~ *$5,575,986,432*		
	Special	$5,356,475	$5,356,690		
	Commonwealth Transportation	$1,098,946	$1,047,697		
	Trust and Agency	$744,088,791	~~$890,455,413~~ *$897,743,035*		
	Federal Trust	$909,070,811	$925,370,970		

138. Omitted.

139. Not set out.

140. Not set out.

141. Not set out.

142. Not set out.

142.10 Not set out.

143. Not set out.

144. Not set out.

145. Not set out.

146. Not set out.

147. Not set out.

148. Not set out.

149. Not set out.

150. Not set out.

151. Not set out.

152. Not set out.

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157. Not set out.

158. Not set out.

159. Not set out.

160. Not set out.

161. Not set out.

162. Not set out.

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163. Not set out.				
164. Not set out.				
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198. Not set out.				
199. Not set out.				

ITEM 200.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
200.	Not set out.				
201.	Not set out.				
202.	Not set out.				
203.	Not set out.				
204.	Not set out.				
205.	Not set out.				
206.	Not set out.				
207.	Not set out.				
208.	Not set out.				
209.	Not set out.				
210.	Not set out.				
211.	Not set out.				
212.	Not set out.				
213.	Not set out.				
214.	Not set out.				
215.	Not set out.				
216.	Not set out.				
217.	Not set out.				
218.	Not set out.				
219.	Not set out.				
220.	Not set out.				

§ 1-13. VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (208)

221.	Not set out.				
222.	Not set out.				
223.	Not set out.				
224.	Not set out.				
225.	Not set out.				

Virginia Cooperative Extension and Agricultural Experiment Station (229)

226.	Educational and General Programs (10000)			$84,018,057	~~$84,492,025~~ *$84,517,656*
	Higher Education Research (100102)	$37,215,773	$37,688,522		
	Higher Education Public Services (100103)	$45,064,595	~~$45,064,595~~ *$45,090,226*		
	Higher Education Academic (100104)	$714,821	$714,821		
	Operation and Maintenance Of Plant (100107)	$1,022,868	$1,024,087		
	Fund Sources: General	$65,244,945	~~$65,717,694~~ *$65,743,325*		
	Higher Education Operating	$18,773,136	$18,774,355		
	Federal Trust	($24)	($24)		

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Authority: § 23-132.1 through § 23-132.11, Code of Virginia.				
A. Appropriations for this agency shall include operating expenses for research and investigations, and the several regional and county agricultural experiment stations under its control, in accordance with law.				
B.1. It is the intent of the General Assembly that the Cooperative Extension Service gives highest priority to programs and services which comprised the original mission of the Extension Service, especially agricultural programs at the local level. The university shall ensure that the service utilizes information technology to the extent possible in the delivery of programs.				
2. The budget of this agency shall include and separately account for local payments. Virginia Polytechnic Institute and State University, in conjunction with Virginia State University, shall report, by fund source, actual expenditures for each program area and total actual expenditures for the agency, annually, by September 1, to the Department of Planning and Budget and the House Appropriations and Senate Finance Committees. The report shall include all expenditures from local support funds.				
C. The Virginia Cooperative Extension and Agricultural Experiment Station shall not charge a fee for testing the soil on property used for commercial farming.				
D. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between Virginia Polytechnic Institute and State University and the Commonwealth, as set forth in Chapters 933 and 943, of the 2006 Acts of Assembly.				
E. Out of this appropriation, $413,750 the first year from the general fund and $47,001 from nongeneral funds, and $413,750 from the general fund and $48,220 from nongeneral funds the second year is for the operation and maintenance of the new Human and Agricultural Biosciences building coming on line.				
F. In addition to the amounts provided in this item, and authorized pursuant to Item 467, P.7., the institution may reallocate from educational and general program funds in the second year to provide an additional 2.50 percent average faculty salary increase for teaching and research faculty. The institution may provide these increases consistent with its faculty pay plan.				
Total for Virginia Cooperative Extension and Agricultural Experiment Station			**$84,018,057**	**~~$84,492,025~~ *$84,517,656***
General Fund Positions	726.24	726.24		
Nongeneral Fund Positions	388.27	388.27		
Position Level	1,114.51	1,114.51		
Fund Sources: General	$65,244,945	~~$65,717,694~~ *$65,743,325*		
Higher Education Operating	$18,773,136	$18,774,355		
Federal Trust	($24)	($24)		
Grand Total for Virginia Polytechnic Institute and State University			**$1,323,918,888**	**~~$1,329,374,229~~ *$1,329,399,860***
General Fund Positions	2,637.77	2,616.77		
Nongeneral Fund Positions	5,321.72	5,321.72		
Position Level	7,959.49	7,938.49		
Fund Sources: General	$234,807,411	~~$240,261,525~~ *$240,287,156*		
Higher Education Operating	$1,078,761,001	$1,078,762,228		
Debt Service	$10,350,500	$10,350,500		
Federal Trust	($24)	($24)		

227. Not set out.

ITEM 227.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
228.	Not set out.				
229.	Not set out.				
230.	Not set out.				
231.	Not set out.				
232.	Not set out.				
233.	Not set out.				
234.	Not set out.				
235.	Not set out.				
236.	Not set out.				
237.	Not set out.				
238.	Not set out.				
239.	Not set out.				

§ 1-14. VIRGINIA COMMISSION FOR THE ARTS (148)

240.	Not set out.				
241.	Museum and Cultural Services (14500)			$408,115	~~$548,339~~ *$601,166*
	Operational and Support Services (14507)	$408,115	~~$548,339~~ *$601,166*		
	Fund Sources: General	$308,085	~~$448,213~~ *$501,040*		
	Special	$15,001	$15,001		
	Federal Trust	$85,029	$85,125		
	Authority: Title 2.2, Chapter 25, Article 4, Code of Virginia.				
	Total for Virginia Commission for the Arts			**$4,771,164**	~~**$4,774,388**~~ ***$4,827,215***
	General Fund Positions	5.00	5.00		
	Position Level	5.00	5.00		
	Fund Sources: General	$3,907,459	~~$3,910,587~~ *$3,963,414*		
	Special	$50,001	$50,001		
	Dedicated Special Revenue	$8,000	$8,000		
	Federal Trust	$805,704	$805,800		
242.	Not set out.				
243.	Not set out.				
244.	Not set out.				
245.	Not set out.				
246.	Not set out.				
247.	Not set out.				
248.	Not set out.				
249.	Not set out.				
250.	Not set out.				

ITEM 251.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
251.	Not set out.				
	TOTAL FOR OFFICE OF EDUCATION			**$17,215,668,176**	**~~$17,697,583,674~~ *$17,665,675,751***
	General Fund Positions	18,426.24	18,419.14		
	Nongeneral Fund Positions	38,931.79	39,072.19		
	Position Level	57,358.03	57,491.33		
	Fund Sources: General	$7,270,128,231	~~$7,480,723,653~~ *$7,441,528,108*		
	Special	$42,289,946	$39,296,341		
	Higher Education Operating	$7,889,877,621	$7,999,613,743		
	Commonwealth Transportation	$1,098,946	$1,047,697		
	Enterprise	$5,328,468	$5,328,468		
	Internal Service	$290,000	$290,000		
	Trust and Agency	$744,088,791	~~$890,455,413~~ *$897,743,035*		
	Debt Service	$325,963,669	$327,925,405		
	Dedicated Special Revenue	$11,519,457	$11,519,457		
	Federal Trust	$925,083,047	$941,383,497		

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OFFICE OF FINANCE

252. Not set out.

§ 1-15. DEPARTMENT OF ACCOUNTS (151)

253. Not set out.

254. Not set out.

255. Not set out.

256. Not set out.

257. Not set out.

258. Not set out.

259. Not set out.

260. Not set out.

Department of Accounts Transfer Payments (162)

261. Financial Assistance to Localities - General (72800) a sum sufficient, estimated at			$558,465,000	~~$561,465,000~~ *$561,565,000*
Distribution of Rolling Stock Taxes (72806)	$6,900,000	~~$6,900,000~~ *$7,100,000*		
Distribution of Recordation Taxes (72808)	$40,000,000	$40,000,000		
Financial Assistance to Localities - Rental Vehicle Tax (72810)	$36,000,000	$36,000,000		
Distribution of Sales Tax Revenues from Certain Public Facilities (72811)	$1,040,000	$1,040,000		
Distribution of Tennessee Valley Authority Payments in Lieu of Taxes (72812)	$1,400,000	~~$1,400,000~~ *$1,300,000*		
Distribution of the Virginia Communications Sales and Use Tax (72816)	$440,000,000	$440,000,000		
Distribution of Payments to Localities for Enhanced Emergency Communications Services (72817)	$33,000,000	$36,000,000		
Distribution of Sales Tax Revenues from Certain Tourism Projects (72819)	$125,000	$125,000		
Fund Sources: General	$49,465,000	~~$49,465,000~~ *$49,565,000*		
Trust and Agency	$36,000,000	$36,000,000		
Dedicated Special Revenue	$473,000,000	$476,000,000		

Authority: §§ 4.1-116, 4.1-117, 4.1-235, 15.2-5814, 15.2-5914, 58.1-608.3, 58.1-662, 58.1-815.1, 58.1-816, 58.1-1736, 58.1-1741, 58.1-2658.1, and 58.1-3406, Code of Virginia.

A. Out of this appropriation, amounts estimated at $20,000,000 the first year and $20,000,000 the second year from the general fund shall be deposited into the Northern Virginia Transportation District Fund, as provided in § 33.2-2400, Code of Virginia. Said amount shall consist of recordation taxes attributable to and transferable to the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the counties of Arlington, Fairfax, Loudoun, and Prince William, pursuant to § 58.1-816, Code of Virginia. This amount shall be transferred to Item 448 of this act and shall be used to support the Northern Virginia Transportation District Program as defined in § 33.2-2401, Code of Virginia. The Commonwealth Transportation Board shall make such allocations and expenditures from the fund as are provided in the Northern Virginia Transportation District, Commonwealth of Virginia Revenue Bond Act of 1993 (Chapter 391, 1993 Acts of Assembly). The Commonwealth Transportation Board also shall make such allocations and expenditures from

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the fund as are provided in Chapters 470 and 597 of the 1994 Acts of Assembly (amendments to Chapter 391, 1993 Acts of Assembly).

B. Pursuant to Chapters 233 and 662, 1994 Acts of Assembly, out of this appropriation, an amount estimated at $1,000,000 the first year and $1,000,000 the second year from the general fund shall be deposited into the set-aside fund as requested in an ordinance adopted March 28, 1995, and in compliance with the requirements provided for in § 58.1-816.1, Code of Virginia, for an account for the City of Chesapeake. These amounts shall be transferred to Item 448 of this act and shall be allocated by the Commonwealth Transportation Board to provide for the debt service pursuant to the Oak Grove Connector, City of Chesapeake, Commonwealth of Virginia Transportation Program Revenue Bond Act of 1994 (Chapters 233 and 662, 1994 Acts of Assembly).

C. Out of this appropriation, the Virginia Baseball Stadium Authority shall be paid a sum sufficient equal to the state personal, corporate, and pass-through entity income and sales and use tax revenues to which the authority is entitled.

D.1. In order to carry out the provisions of § 58.1-645 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $440,000,000 in the first year and $440,000,000 in the second year equal to the revenues collected pursuant to § 58.1-645 et seq., Code of Virginia, from the Virginia Communications Sales and Use Tax. All revenue received by the Commonwealth pursuant to the provisions of § 58.1-645 et seq., Code of Virginia, shall be paid into the state treasury and deposited to the Virginia Communications Sales and Use Tax Fund and shall be distributed pursuant to § 58.1-662, Code of Virginia and Item 282 of this act. For the purposes of the State Comptroller's preliminary and final annual reports required by § 2.2-813, Code of Virginia, however, all deposits to and disbursements from the fund shall be accounted for as part of the general fund of the state treasury.

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

E. In order to carry out the provisions of § 58.1-1734 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $36,000,000 in the first year and $36,000,000 in the second year equal to the revenues collected pursuant to A. 2 of § 58.1-1736 Code of Virginia, from the Virginia Motor Vehicle Rental Tax.

F. In order to carry out the provisions of § 56-484.17 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $33,000,000 in the first year and $36,000,000 in the second year equal to the revenues collected pursuant to § 56-484.17.1 Code of Virginia, from the Virginia Wireless Tax.

262. Not set out.

263. Not set out.

264. Not set out.

265. Not set out.

266. Not set out.

267. Not set out.

Total for Department of Accounts Transfer Payments			**$1,924,800,577**	**~~$1,555,130,529~~ *$1,555,230,529***
Nongeneral Fund Positions	1.00	1.00		
Position Level	1.00	1.00		
Fund Sources: General	$1,372,135,048	~~$999,465,000~~ *$999,565,000*		
Trust and Agency	$78,339,185	$78,339,185		

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	Dedicated Special Revenue	$474,326,344	$477,326,344		
	Grand Total for Department of Accounts			**$1,961,566,524**	**~~$1,593,153,164~~** ***$1,593,253,164***
	General Fund Positions	109.00	115.00		
	Nongeneral Fund Positions	60.00	54.00		
	Position Level	169.00	169.00		
	Fund Sources: General	$1,384,001,633	~~$1,012,235,740~~ *$1,012,335,740*		
	Special	$821,956	$821,956		
	Internal Service	$24,077,406	$24,429,939		
	Trust and Agency	$78,339,185	$78,339,185		
	Dedicated Special Revenue	$474,326,344	$477,326,344		
268.	Not set out.				
269.	Not set out.				
270.	Not set out.				
271.	Not set out.				
272.	Not set out.				
273.	Not set out.				
274.	Not set out.				
275.	Not set out.				

§ 1-16. TREASURY BOARD (155)

276.	Bond and Loan Retirement and Redemption (74300)			$722,161,855	~~$733,814,234~~ *$725,129,831*
	Debt Service Payments on General Obligation Bonds (74301)	$96,778,700	~~$87,360,686~~ *$87,296,343*		
	Capital Lease Payments (74302)	$12,773,700	$12,767,359		
	Debt Service Payments on Public Building Authority Bonds (74303)	$284,550,929	~~$271,050,162~~ *$263,880,953*		
	Debt Service Payments on College Building Authority Bonds (74304)	$328,058,526	~~$362,636,027~~ *$361,185,176*		
	Fund Sources: General	$672,084,088	~~$683,730,096~~ *$675,045,693*		
	Special	$349,214	$349,363		
	Higher Education Operating	$29,774,267	$30,011,174		
	Dedicated Special Revenue	$645,000	$645,000		
	Federal Trust	$19,309,286	$19,078,601		

Authority: Title 2.2, Chapter 18; Title 33.1, Chapter 3, Article 5, Code of Virginia; Article X, Section 9, Constitution of Virginia.

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

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

Series	FY 2015	FY 2016

ITEM 276.		Item Details($)		Appropriations($)	
		First Year FY2015	Second Year FY2016	First Year FY2015	Second Year FY2016
	General Fund	Federal Funds	General Fund	Federal Funds	
2004B Refunding	$0	$0	$0	$0	
2005	$6,247,500	$0	$0	$0	
2006A Refunding	$7,932,750	$0	$0	$0	
2006	$6,512,000	$0	$6,216,000	$0	
2007A	$7,437,501	$0	$7,125,001	$0	
2007B	$5,119,550	$0	~~$4,919,550~~ *$4,400,000*	$0	
2008A	$7,863,563	$0	~~$7,617,313~~ *$5,614,050*	$0	
2008B	$8,301,438	$0	~~$8,101,438~~ *$5,647,850*	$0	
2009A	$6,685,000	$0	$6,485,000	$0	
2009B	$3,374,355	$522,943	~~$3,326,424~~ *$3,323,933*	$498,110	
2009 Refunding	$6,064,750	$0	$14,174,750	$0	
2012 Refunding	$15,943,250	$0	$7,203,450	$0	
2013 Refunding	$5,567,750	$0	$11,657,750	$0	
2014 Refunding	$9,166,350	$0	$9,995,900	$0	
2015B Refunding			*$4,909,550*	*$0*	
Projected debt service & expenses	$40,000	$0	~~$40,000~~ *$45,000*	$0	
Total Service Area	**$96,255,757**	**$522,943**	~~**$86,862,576**~~ ***$86,798,233***	**$498,110**	

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

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

	FY 2015	FY 2016
Big Stone Gap RHA (DOC) (Wallens Ridge, 1995)	$6,001,750	$5,996,250
Norfolk RHA (VCCS-TCC), Series 1995	$2,016,800	$2,014,159
Virginia Biotech Research Park, 2009	$4,755,150	$4,756,950
Total Capital Lease Payments	**$12,773,700**	**$12,767,359**

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

	FY 2015		FY 2016	
Series	**General Fund**	**Nongeneral Fund**	**General Fund**	**Nongeneral Fund**
2003 Refunding	$998,375	$0	$0	$0
2004A Refunding	$22,691,503	$0	$0	$0
2004B	$14,810,281	$0	$0	$0
2004C	$4,457,500	$0	$0	$0
2004D Refunding	$10,888,607	$0	$0	$0
2005A Refunding	$4,892,375	$0	~~$4,695,000~~ *$4,151,250*	$0
2005B Refunding	$14,950,186	$349,214	~~$14,942,162~~ *$13,575,262*	$349,363
2005C	$4,376,750	$0	$4,269,125	$0

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STARS 2005C	$12,251,750	$0	$12,248,750		$0
2005D	$750,000	$0	$1,250,000		$0
2006A	$4,558,867	$0	~~$4,009,575~~ *$3,852,375*		$0
STARS 2006A	$7,147,750	$0	$7,144,250		$0
2006B	$9,952,900	$0	$8,620,500		$0
STARS 2006B	$4,468,875	$0	$4,466,625		$0
2007A	$11,853,925	$0	$8,994,500		$0
STARS 2007A	$7,514,750	$0	$7,516,125		$0
2008B	$11,995,600	$0	~~$11,995,406~~ *$7,121,394*		$0
2009A	$4,678,775	$0	$4,678,871		$0
2009B	$16,676,805	$0	$16,677,405		$0
2009B STARS	$6,584,850	$0	$6,584,050		$0
2009C	$1,086,770	$0	$1,091,015		$0
2009D	$6,277,100	$0	$6,266,525		$0
2010A	$21,759,082	$4,511,477	$21,689,457		$4,511,477
2010B	$22,230,957	$3,483,595	$22,224,907		$3,483,595
2011A STARS	$626,750	$0	$629,625		$0
2011A	$20,811,675	$0	$20,811,550		$0
2011B	$1,300,324	$0	$1,295,624		$0
2012A Refunding	$3,474,600	$0	$3,474,600		$0
2013A	$10,282,850	$0	$10,282,925		$0
2013B	$3,478,000	$0	$3,478,000		$0
2014A	$1,545,304	$645,000	$9,202,775		$645,000
2014B	$303,683	$0	$2,014,665		$0
2014C Refunding	$5,200,484	$0	$29,820,075		$0
2015A			*$6,691,747*		*$0*
2015B Refunding			*$4,087,602*		*$0*
Projected debt service and expenses	$683,640	$0	~~$11,686,640~~ *$679,944*		$0
Total Service Area	**$275,561,643**	**$8,989,286**	~~**$262,060,727**~~ ***$254,891,518***		**$8,989,435**

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

Project	Commonwealth Share of Approved Capital Costs
Richmond City Jail Replacement	$31,238,755
RSW Regional Jail	$32,840,850
Prince William – Manassas Regional Jail	$21,032,421
Southwest Virginia Regional Jail	$18,143,780
Central Virginia Regional Jail	$8,464,891
Chesapeake City Jail	$5,130,673
Pamunkey Regional Jail Authority	$288,575
Total Approved Capital Costs	**$117,139,945**

b. The Commonwealth's share of the total construction cost of the projects listed in the table in paragraph D.2.a. shall not exceed the amount listed for each project. Reimbursement of the Commonwealth's portion of the construction costs of these projects shall be subject to the approval of the Department of Corrections of the final expenditures.

c. This paragraph shall constitute the authority for the Virginia Public Building Authority to

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issue bonds for the foregoing projects pursuant to § 2.2-2261 of the Code of Virginia.

E.1. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds shall be paid to the Virginia College Building Authority the following amounts for use by the Authority for payments on obligations issued for financing authorized projects under the 21st Century College Program:

Series	FY 2015	FY2016
2004B Refunding	$0	$0
2005A	$3,239,250	$0
2006	$7,449,000	$8,284,500
2007A Refunding	$3,865,100	$9,626,500
2007B	$2,852,125	~~$2,851,925~~ *$2,418,850*
2008A	$7,444,731	~~$7,443,231~~ *$5,278,656*
2009A&B	$33,310,221	~~$33,299,703~~ *$27,178,965*
2009C Refunding	$5,781,200	$0
2009E Refunding	$21,309,750	$24,546,800
2009F	$38,751,636	$38,543,486
2010B	$28,160,064	$28,160,564
2011 A	$17,779,300	$17,777,300
2012A	$21,494,900	$21,497,400
2012B	$23,775,450	$23,797,950
2012 C	$1,748,824	$1,729,118
2013 A	$21,956,592	$21,960,013
2014A	$19,548,396	$19,544,400
2014B	$7,080,285	$9,704,400
2015A		*$24,506,222*
2015B Refunding		*$7,283,400*
2015C		*$1,176,359*
2015D		*$9,126,970*
Projected 21st Century debt service & expenses	$887,764	~~$40,575,987~~ *$861,047*
Subtotal 21st Century	**$266,434,588**	~~**$309,343,277**~~ ***$303,002,900***

2. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds shall be paid to the Virginia College Building Authority the following amounts for the payment of debt service on authorized bond issues to finance equipment:

Series	FY 2015	FY 2016
2008A	$8,232,000	$0
2009D	$9,048,425	$9,046,250
2010A	$8,336,500	$8,236,000
2011A	$8,538,000	$8,538,500
2012A	$8,360,000	$8,362,500
2013A	$9,449,257	$9,453,500
2014A	$9,659,756	$9,656,000
2015		*$4,889,525*
Projected debt service & expenses	$0	$0
Subtotal Equipment	$61,623,938	~~$53,292,750~~ *$58,182,275*
Total Service Area	**$328,058,526**	~~**$362,636,027**~~

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				$361,185,175

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

4. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds, the following nongeneral fund amounts from a capital fee charged to out-of-state students at institutions of higher education shall be paid to the Virginia College Building Authority in each year for debt service on bonds issued under the 21st Century Program:

Institution	**FY 2015**	**FY 2016**
George Mason University	$2,535,489	$2,644,092
Old Dominion University	$1,059,300	$1,047,123
University of Virginia	$4,670,622	$4,721,706
Virginia Polytechnic Institute and State University	$4,656,663	$4,867,731
Virginia Commonwealth University	$2,132,460	$2,224,530
College of William and Mary	$1,493,811	$1,549,053
Christopher Newport University	$112,167	$122,562
University of Virginia's College at Wise	$48,510	$45,540
James Madison University	$2,635,578	$2,675,079
Norfolk State University	$458,766	$402,831
Longwood University	$111,276	$97,911
University of Mary Washington	$293,535	$222,750
Radford University	$275,022	$281,556
Virginia Military Institute	$370,260	$377,190
Virginia State University	$845,856	$739,233
Richard Bland College	$9,900	$9,900
Virginia Community College System	$3,222,450	$3,139,785
TOTAL	**$24,931,665**	**$25,168,572**

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

	FY 2015		**FY 2016**	
Institution	**General Fund**	**Nongeneral Fund**	**General Fund**	**Nongeneral Fund**
College of William & Mary	$1,971,989	$259,307	$2,055,788	$259,307
University of Virginia	$10,279,755	$1,088,024	$10,864,008	$1,088,024
Virginia Polytechnic Institute and State University	$10,028,546	$992,321	$10,681,639	$992,321
Virginia Military Institute	$669,067	$88,844	$668,917	$88,844
Virginia State University	$1,087,459	$108,886	$1,079,829	$108,886
Norfolk State University	$986,193	$108,554	$980,968	$108,554
Longwood University	$606,167	$54,746	$600,196	$54,746
University of Mary Washington	$514,380	$97,063	$494,933	$97,063
James Madison University	$1,842,565	$254,504	$1,808,591	$254,504
Radford University	$1,380,677	$135,235	$1,386,733	$135,235

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Old Dominion University	$3,987,893	$374,473	$4,079,283		$374,473
Virginia Commonwealth University	$7,694,791	$401,647	$7,811,983		$401,647
Richard Bland College	$138,250	$2,027	$136,610		$2,027
Christopher Newport University	$640,698	$17,899	$635,957		$17,899
University of Virginia's College at Wise	$214,116	$19,750	$207,311		$19,750
George Mason University	$3,442,578	$205,665	$3,507,381		$205,665
Virginia Community College System	$10,729,855	$633,657	$10,906,346		$633,657
Virginia Institute of Marine Science	$517,521	$0	$507,607		$0
Roanoke Higher Education Authority	$66,522	$0	$66,465		$0
Southwest Virginia Higher Education Center	$66,899	$0	$68,594		$0
Institute for Advanced Learning and Research	$206,894	$0	$234,759		$0
Southern Virginia Higher Education Center	$45,769	$0	$53,828		$0
New College Institute	$53,496	$0	$57,722		$0
TOTAL	**$57,172,080**	**$4,842,602**	**$58,895,448**		**$4,842,602**

F. Pursuant to various Payment Agreements between the Treasury Board and the Commonwealth Transportation Board, funds required to pay the debt service due on Commonwealth Transportation Board bonds shall be paid to the Trustee for the bondholders by the Treasury Board after transfer of these funds to the Treasury Board from the Commonwealth Transportation Board pursuant to Item 448, paragraph E of this act and §§ 33.2-2300, 33.2-2400, and 58.1-816.1, Code of Virginia.

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

277. Not set out.

Total for Treasury Board			**$722,161,855**	**~~$733,814,234~~** ***$725,129,831***
Fund Sources: General	$672,084,088	~~$683,730,096~~ *$675,045,693*		
Special	$349,214	$349,363		
Higher Education Operating	$29,774,267	$30,011,174		
Dedicated Special Revenue	$645,000	$645,000		
Federal Trust	$19,309,286	$19,078,601		
TOTAL FOR OFFICE OF FINANCE			**$2,815,921,505**	**~~$2,461,377,426~~** ***$2,452,793,023***
General Fund Positions	1,104.50	1,098.50		
Nongeneral Fund Positions	194.50	200.50		
Position Level	1,299.00	1,299.00		

ITEM 277.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
Fund Sources: General	$2,163,300,716	~~$1,804,251,699~~ *$1,795,667,296*		
Special	$14,662,585	$15,067,734		
Higher Education Operating	$29,774,267	$30,011,174		
Commonwealth Transportation	$435,187	$435,187		
Internal Service	$24,077,406	$24,429,939		
Trust and Agency	$88,214,201	$88,955,235		
Dedicated Special Revenue	$476,147,857	$479,147,857		
Federal Trust	$19,309,286	$19,078,601		

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OFFICE OF HEALTH AND HUMAN RESOURCES

§ 1-17. SECRETARY OF HEALTH AND HUMAN RESOURCES (188)

278. Not set out.

Children's Services Act (200)

279.	Protective Services (45300)			$270,024,810	~~$270,024,810~~ *$288,106,861*
	Financial Assistance for Child and Youth Services (45303)	$270,024,810	~~$270,024,810~~ *$288,106,861*		
	Fund Sources: General	$217,417,064	~~$217,417,064~~ *$235,499,115*		
	Federal Trust	$52,607,746	$52,607,746		

Authority: Title 2.2, Chapter 52, Code of Virginia.

A. The Department of Education shall serve as fiscal agent to administer funds cited in paragraphs B and C.

B.1.a. Out of this appropriation, $159,855,199 the first year and $161,237,160 the second year from the general fund and $51,609,746 the first year and $51,607,746 the second year from nongeneral funds shall be used for the state pool of funds pursuant to § 2.2-5211, Code of Virginia. This appropriation shall consist of a Medicaid pool allocation, and a non-Medicaid pool allocation.

b. The Medicaid state pool allocation shall consist of $28,526,197 the first year and $28,526,197 the second year from the general fund and $43,187,748 the first year and $43,187,748 the second year from nongeneral funds. The Office of Comprehensive Services will transfer these funds to the Department of Medical Assistance Services as they are needed to pay Medicaid provider claims.

c. The non-Medicaid state pool allocation shall consist of $131,329,002 the first year and $132,710,963 the second year from the general fund and $8,419,998 the first year and $8,419,998 the second year from nongeneral funds. The nongeneral funds shall be transferred from the Department of Social Services.

d. The Office of Comprehensive Services, with the concurrence of the Department of Planning and Budget, shall have the authority to transfer the general fund allocation between the Medicaid and non-Medicaid state pools in the event that a shortage should exist in either of the funding pools.

e. The Office of Comprehensive Services, per the policy of the State Executive Council, shall deny state pool funding to any locality not in compliance with federal and state requirements pertaining to the provision of special education and foster care services funded in accordance with § 2.2-5211, Code of Virginia.

2.a. Out of this appropriation, $55,666,865 the first year and ~~$55,666,865~~*$73,748,916* the second year from the general fund and $1,000,000 the first year and $1,000,000 the second year from nongeneral funds shall be set aside to pay for the state share of supplemental requests from localities that have exceeded their state allocation for mandated services. The nongeneral funds shall be transferred from the Department of Social Services.

b. In each year, the director of the Office of Comprehensive Services for At-Risk Youth and Families may approve and obligate supplemental funding requests in excess of the amount in 2a above, for mandated pool fund expenditures up to 10 percent of the total general fund appropriation authority in B1a in this Item.

c. The State Executive Council shall maintain local government performance measures to

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include, but not be limited to, use of federal funds for state and local support of the Comprehensive Services Act.

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

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

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

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

6. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is provided for a combination of regional and statewide meetings for technical assistance to local community policy and management teams, family assessment and planning teams, and local fiscal agents. Training shall include, but not be limited to, cost containment measures, building community-based services, including creation of partnerships with private providers and non-profit groups, utilization management, use of alternate revenue sources, and administrative and fiscal issues. A state-supported institution of higher education, in cooperation with the Virginia Association of Counties, the Virginia Municipal League, and the State Executive Council, may assist in the provisions of this paragraph. A training plan shall be presented to and approved by the State Executive Council before the beginning of each fiscal year. A training calendar and timely notice of programs shall be provided to Community Policy and Management Teams and family assessment and planning team members statewide as well as to local fiscal agents and chief administrative officers of cities and counties. A report on all regional and statewide training sessions conducted during the fiscal year, including (i) a description of each program and trainers, (ii) the dates of the training and the number of attendees for each program, (iii) a summary of evaluations of these programs by attendees, and (iv) the funds expended, shall be made to the Chairmen of the House Appropriations and Senate Finance Committees and to the members of the State Executive Council by December 1 of each year. Any funds unexpended for this purpose in the first year shall be reappropriated for the same use in the second year..

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

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

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

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

C. The funding formula to carry out the provisions of the Comprehensive Services Act for At-Risk Youth and Families is as follows:

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

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

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

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

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

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

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

4. Local Administrative Costs. Out of this appropriation, an amount equal to two percent of the fiscal year 1997 pool fund allocations, not to exceed $1,560,000 the first year and $1,560,000 the second year from the general fund, shall be allocated among all localities for administrative costs. Every locality shall be required to appropriate a local match based on the local match contribution in paragraph C.2. of this Item. Inclusive of the state allocation and local matching funds, every locality shall receive the larger of $12,500 or

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an amount equal to two percent of the total pool allocation. No locality shall receive more than $50,000, inclusive of the state allocation and local matching funds. Localities are encouraged to use administrative funding to hire a full-time or part-time local coordinator for the Comprehensive Services Act program. Localities may pool this administrative funding to hire regional coordinators.

5. Definition. For purposes of the funding formula in the Comprehensive Services Act for At-Risk Youth and Families, "locality" means city or county.

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

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

F. The Office of Comprehensive Services, in cooperation with the Department of Medical Assistance Services, shall provide technical assistance and training to assist residential and treatment foster care providers who provide Medicaid-reimbursable services through the Comprehensive Services Act for At-Risk Children and Youth (CSA) to become Medicaid-certified providers.

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

H. Pursuant to subdivision 19 of §2.2-2648, Code of Virginia, no later than December 20 in the odd-numbered years, the State Executive Council shall biennially publish and disseminate to members of the General Assembly and Community Policy and Management Teams a progress report on comprehensive services for children, youth, and families and a plan for such services for the succeeding biennium.

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

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

K. The State Executive Council (SEC) shall authorize guidelines for therapeutic foster care (TFC) services, including a standardized definition of therapeutic foster care services, uniform service needs criteria required for the utilization of therapeutic foster care services, uniform placement outcome goals to include length of stay targets when the service is indicated and uniform contracting requirements when purchasing therapeutic foster care services. The SEC shall authorize the use of regional contracts for the provision of TFC services. The SEC shall direct the Office of Comprehensive Services to (i) work with stakeholders to develop these

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guidelines for the provision of TFC and (ii) develop regional contracts for the provision of TFC, with the goal of decreasing the unit cost of social services and maintaining or increasing the quality and effectiveness of the services. The SEC shall focus its attention on rural areas and areas with few service providers. Training will be provided for all local departments of social services, family assessment and planning teams, community policy and management teams and therapeutic foster care services providers on these guidelines. The Director of the Office of Comprehensive Services shall report the progress of these efforts to the SEC at its regularly scheduled meetings.				
L.1. The Office of Comprehensive Services (OCS) shall report on funding for therapeutic foster care services including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition. In addition, the OCS shall provide guidance and training to assist localities in negotiating contracts with therapeutic foster care providers.				
2. The Office of Comprehensive Services shall report on funding for special education day treatment and residential services, including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition.				
3. The Office of Comprehensive Services shall report the information included in this paragraph to the Chairmen of the House Appropriations and Senate Finance Committees beginning September 1, 2011 and each year thereafter.				
M. Out of this appropriation, the Director, Office of Comprehensive Services, shall allocate $2,200,000 the first year and $2,200,000 the second year from the general fund to localities for wrap-around services for students with disabilities as defined in the Comprehensive Services Act policy manual.				
N. The State Executive Council shall convene a work group to examine options and make recommendations for funding the educational costs for students whose placement in or admittance to state or privately operated psychiatric or residential treatment facilities for non-educational reasons has been authorized by Medicaid. The work group shall include representatives of the Office of Comprehensive Services, the Department of Education, the Department of Medical Assistance Services, the Department of Behavioral Health and Developmental Services, local school divisions, and public and private service providers. The State Executive Council shall report on its recommendations to the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2015.				
281. Not set out.				
Total for Children's Services Act			**$271,693,156**	**~~$271,704,898~~ *$289,786,949***
General Fund Positions	13.00	13.00		
Position Level	13.00	13.00		
Fund Sources: General	$219,085,410	~~$219,097,152~~ *$237,179,203*		
Federal Trust	$52,607,746	$52,607,746		
Grand Total for Secretary of Health and Human Resources			**$272,365,395**	**~~$272,528,155~~ *$290,610,206***
General Fund Positions	18.00	18.00		
Position Level	18.00	18.00		
Fund Sources: General	$219,757,649	~~$219,920,409~~ *$238,002,460*		
Federal Trust	$52,607,746	$52,607,746		
282. Not set out.				

§ 1-18. DEPARTMENT OF HEALTH (601)

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283.	Not set out.				
284.	Not set out.				
285.	Not set out.				
286.	Not set out.				
287.	Not set out.				
288.	Not set out.				
289.	Not set out.				
290.	Community Health Services (44000)			$238,309,634	$238,684,548
	Local Dental Services (44002)	$4,544,352	$4,544,352		
	Restaurant and Food Safety, Well and Septic Permitting and Other Environmental Health Services (44004)	$35,712,351	$35,712,351		
	Local Family Planning Services (44005)	$24,180,329	$24,180,329		
	Support for Local Management, Business, and Facilities (44009)	$59,437,515	$59,812,429		
	Local Maternal and Child Health Services (44010)	$42,637,375	$42,637,375		
	Local Immunization Services (44013)	$11,351,007	$11,351,007		
	Local Communicable Disease Investigation, Treatment, and Control (44014)	$18,425,600	$18,425,600		
	Local Personal Care Services (44015)	$4,205,870	$4,205,870		
	Local Chronic Disease and Prevention Control (44016)	$10,906,089	$10,906,089		
	Local Nutrition Services (44018)	$26,909,146	$26,909,146		
	Fund Sources: General	$96,665,713	$96,876,528		
	Special	$97,968,592	$98,132,691		
	Dedicated Special Revenue	$2,472,715	$2,472,715		
	Federal Trust	$41,202,614	$41,202,614		

Authority: §§ 32.1-11 through 32.1-12, 32.1-31, 32.1-163 through 32.1-176, 32.1-198 through 32.1-211, 32.1-246, and 35.1-1 through 35.1-26, Code of Virginia; Title V of the U.S. Social Security Act; and Title X of the U.S. Public Health Service Act.

A.1. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $425.00, for a construction permit for on-site sewage systems designed for less than 1,000 gallons per day, and alternative discharging systems not supported with certified work from an authorized onsite soil evaluator or a professional engineer working in consultation with an authorized onsite soil evaluator.

2. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $350.00, for the certification letter for less than 1,000 gallons per day not supported with certified work from an authorized onsite soil evaluator or a professional engineer working in consultation with an authorized onsite soil evaluator.

3. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $225.00, for a construction permit for an onsite sewage system designed for less than 1,000 gallons per day when the application is supported with certified work from a licensed onsite soil evaluator.

4. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $320.00, for the certification letter for less than 1,000 gallons per day supported with certified work from an authorized onsite soil evaluator or a professional engineer working in consultation with an authorized onsite soil evaluator.

5. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $300.00, for a construction permit for a

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private well.

6. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $1,400.00, for a construction permit or certification letter designed for more than 1,000 gallons per day.

7. The State Health Commissioner shall appoint two manufacturers to the Advisory Committee on Sewage Handling and Disposal, representing one system installer and the Association of Onsite Soil Engineers.

B. The State Health Commissioner is authorized to develop, in consultation with the regulated entities, a hotel, campground, and summer camp plan and specification review fee, not to exceed $40.00, a restaurant plan and specification review fee, not to exceed $40.00, an annual hotel, campground, and summer camp permit renewal fee, not to exceed $40.00, and an annual restaurant permit renewal fee, not to exceed $40.00 to be collected from all establishments, except K-12 public schools, that are subject to inspection by the Department of Health pursuant to §§ 35.1-13, 35.1-14, 35.1-16, and 35.1-17, Code of Virginia. However, any such establishment that is subject to any health permit fee, application fee, inspection fee, risk assessment fee or similar fee imposed by any locality as of January 1, 2002, shall be subject to this annual permit renewal fee only to the extent that the Department of Health fee and the locally imposed fee, when combined, do not exceed the fee amount listed in this paragraph. This fee structure shall be subject to the approval of the Secretary of Health and Human Resources.

C. Pursuant to the Department of Health's Policy Implementation Manual (#07-01), individuals who participate in a local festival, fair, or other community event where food is sold, shall be exempt from the annual temporary food establishment permit fee of $40.00 provided the event is held only one time each calendar year and the event takes place within the locality where the individual resides.

D. The State Health Commissioner shall work with public and private dental providers to develop options for delivering dental services in underserved areas, including the use of public-private partnerships in the development and staffing of facilities, the use of dental hygiene and dental students to expand services and enhance learning experiences, and the availability of reimbursement mechanisms and other public and private resources to expand services.

E. The Department of Health shall continue to implement a sustainable preventive model to begin July 1, 2014, except in the Mount Rogers, Western Tidewater, and Norfolk Health districts, and full transition by January 1, 2016. The model shall ensure that (i) trained personnel are in place; (ii) the focus on those areas of the Commonwealth in the most need of these dental services, including those areas with higher risk factors including a concentration of diabetic and free lunch populations and a higher than average Medicaid-eligible population; and (iii) the development of evaluation metrics to assist in ensuring efficient and effective use of funding and services.

F. Out of this appropriation, $176,929 the first year and $387,744 the second year from the general fund and $103,503 the first year and $267,602 the second year from nongeneral funds is provided to address the cost of leasing or expanding local health department facilities.

291. Not set out.

292. Not set out.

293. Not set out.

294. Not set out.

295. Not set out.

Total for Department of Health			**$641,233,340**	**$646,112,683**
General Fund Positions	1,485.00	1,488.00		
Nongeneral Fund Positions	2,191.00	~~2,191.00~~ *2,192.00*		

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	Position Level	3,676.00	~~3,679.00~~ *3,680.00*		
	Fund Sources: General	$160,729,959	$165,510,117		
	Special	$138,106,828	$138,270,927		
	Dedicated Special Revenue	$106,068,122	$106,068,122		
	Federal Trust	$236,328,431	$236,263,517		
296.	Not set out.				
297.	Not set out.				

§ 1-19. DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (602)

298.	Pre-Trial, Trial, and Appellate Processes (32100)			$15,069,989	~~$15,742,428~~ *$16,807,820*
	Reimbursements for Medical Services Related to Involuntary Mental Commitments (32107)	$15,069,989	~~$15,742,428~~ *$16,807,820*		
	Fund Sources: General	$15,069,989	~~$15,742,428~~ *$16,807,820*		

Authority: § 37.2-809, Code of Virginia.

A. Any balance, or portion thereof, in Reimbursements for Medical Services Related to Involuntary Mental Commitments (32107), may be transferred between Items 40, 41, 42, and 298 as needed, to address any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

B. Out of this appropriation, payments may be made to licensed health care providers for medical screening and assessment services provided to persons with mental illness while in emergency custody pursuant to § 37.2-808, Code of Virginia.

C. To the extent that the appropriation in this Item is insufficient, the Department of Planning and Budget shall transfer general fund appropriation from Items 300, 301, and 303 to this Item, if available.

D. The Director of the Department of Medical Assistance Services, in consultation with the Commissioner of the Department of Behavioral Health and Developmental Services, shall review the current rate that is paid for medical costs associated with involuntary mental health commitments. The review shall assess whether the current rate paid for medical services is adequate to serve individuals who may require highly specialized staffing and treatment needs while under detention. The director shall report his findings and recommendations to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2014.

299.	Not set out.				
300.	Children's Health Insurance Program Delivery (44600)			$156,690,535	~~$179,113,399~~ *$140,710,084*
	Reimbursements for Medical Services Provided Under the Family Access to Medical Insurance Security Plan (44602)	$156,690,535	~~$179,113,399~~ *$140,710,084*		
	Fund Sources: General	$40,794,373	~~$17,727,001~~ *$10,910,413*		
	Dedicated Special Revenue	$14,065,627	$14,065,627		
	Federal Trust	$101,830,535	~~$147,320,771~~ *$115,734,044*		

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

A. Pursuant to Chapter 679, Acts of Assembly of 1997, the State Corporation Commission

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

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

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

D. To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation from Items 301 and 303, if available, into this Item, to be used as state match for federal Title XXI funds.

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

F. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director, Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the alternative method.

301.	Medicaid Program Services (45600)			$8,136,412,131	~~$8,494,567,407~~ *$8,837,426,767*
	Reimbursements to State-Owned Mental Health and Intellectual Disabilities Facilities (45607)	$197,295,289	~~$151,698,269~~ *$164,907,411*		
	Reimbursements for Behavioral Health Services (45608)	$687,767,790	~~$789,996,961~~ *$745,326,462*		
	Reimbursements for Medical Services (45609)	$4,979,574,340	~~$5,273,664,286~~ *$5,404,835,312*		
	Reimbursements for Long-Term Care Services (45610)	$2,271,774,712	~~$2,279,207,891~~ *$2,522,357,582*		
	Fund Sources: General	$3,694,399,164	~~$3,987,155,922~~ *$4,159,548,054*		
	Dedicated Special Revenue	$430,248,427	$346,848,632		
	Federal Trust	$4,011,764,540	~~$4,160,562,853~~ *$4,331,030,081*		

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

A. Out of this appropriation, $98,647,645 the first year and ~~$75,849,135~~ *$82,453,706* the second year from the general fund and $98,647,644 the first year and ~~$75,849,134~~ *$82,453,705* the second year from the federal trust fund is provided for reimbursement to the institutions within the Department of Behavioral Health and Developmental Services.

B.1. Included in this appropriation is $75,856,682 the first year and ~~$82,016,765~~ *$64,154,140* the second year from the general fund and $91,101,458 the first year and

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~~$98,731,727~~ *$80,869,101* the second year from nongeneral funds to reimburse the Virginia Commonwealth University Health System for indigent health care costs. This funding is composed of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

2. Included in this appropriation is $43,284,148 the first year and ~~$44,688,169~~ *$37,081,720* the second year from the general fund and $54,386,197 the first year and ~~$57,112,685~~ *$49,506,236* the second year from nongeneral funds to reimburse the University of Virginia Health System for indigent health care costs. This funding is comprised of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

3. The general fund amounts for the state teaching hospitals have been reduced to mirror the general fund impact of no inflation for inpatient services in FY 2015 and FY 2016 for private hospitals reflected in paragraph CCC. of this Item. It also includes reductions for prior year inflation reductions and indigent care reductions. However, the nongeneral funds are appropriated. In order to receive the nongeneral funds in excess of the amount of the general fund appropriated, the health systems shall certify the public expenditures.

4. The Department of Medical Assistance Service shall have the authority to increase Medicaid payments for Type One hospitals and physicians consistent with the appropriations to compensate for limits on disproportionate share hospital (DSH) payments to Type One hospitals that the department would otherwise make. In particular, the department shall have the authority to amend the State Plan for Medical Assistance to increase physician supplemental payments for physician practice plans affiliated with Type One hospitals up to the average commercial rate as demonstrated by University of Virginia Health System and Virginia Commonwealth University Health System, to change reimbursement for Graduate Medical Education to cover costs for Type One hospitals, to case mix adjust the formula for indirect medical education reimbursement for HMO discharges for Type One hospitals and to increase the adjustment factor for Type One hospitals to 1.0. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

C.1. The estimated revenue for the Virginia Health Care Fund is $430,248,427 the first year and $346,848,632 the second year, to be used pursuant to the uses stated in §32.1-367, Code of Virginia.

2. Notwithstanding §32.1-366, Code of Virginia, the State Comptroller shall deposit 41.5 percent of the Commonwealth's allocation of the Master Settlement Agreement with tobacco product manufacturers, as defined in §3.2-3100, Code of Virginia, to the Virginia Health Care Fund.

3. Notwithstanding any other provision of law, the State Comptroller shall deposit 50 percent of the Commonwealth's allocation of the Strategic Contribution Fund payment pursuant to the Master Settlement Agreement with tobacco product manufacturers into the Virginia Health Care Fund.

4. Notwithstanding any other provision of law, revenues deposited to the Virginia Health Care Fund shall only be used as the state share of Medicaid unless specifically authorized by this act.

D. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director, Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the

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alternative method.

E.1. The Director, Department of Medical Assistance Services shall seek the necessary waivers from the United States Department of Health and Human Services to authorize the Commonwealth to cover health care services and delivery systems, as may be permitted by Title XIX of the Social Security Act, which may provide less expensive alternatives to the State Plan for Medical Assistance.

2. The director shall promulgate such regulations as may be necessary to implement those programs which may be permitted by Titles XIX and XXI of the Social Security Act, in conformance with all requirements of the Administrative Process Act.

F. It is the intent of the General Assembly to develop and cause to be developed appropriate, fiscally responsible methods for addressing the issues related to the cost and funding of long-term care. It is the further intent of the General Assembly to promote home-based and community-based care for individuals who are determined to be in need of nursing facility care.

G. To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation from Item 300 and 303, if available, to be used as state match for federal Title IX funds.

H. It is the intent of the General Assembly that the medically needy income limits for the Medicaid program are adjusted annually to account for changes in the Consumer Price Index.

I. It is the intent of the General Assembly that the use of the new atypical medications to treat seriously mentally ill Medicaid recipients should be supported by the formularies used to reimburse claims under the Medicaid fee-for-service and managed care plans.

J. The Department of Medical Assistance Services shall establish a program to more effectively manage those Medicaid recipients who receive the highest cost care. To implement the program, the department shall establish uniform criteria for the program, including criteria for the high cost recipients, providers and reimbursement, service limits, assessment and authorization limits, utilization review, quality assessment, appeals and other such criteria as may be deemed necessary to define the program. The department shall seek any necessary approval from the Centers for Medicare and Medicaid Services, and shall promulgate such regulations as may be deemed necessary to implement this program.

K. The Department of Medical Assistance Services and the Virginia Department of Health shall work with representatives of the dental community: to expand the availability and delivery of dental services to pediatric Medicaid recipients; to streamline the administrative processes; and to remove impediments to the efficient delivery of dental services and reimbursement thereof. The Department of Medical Assistance Services shall report its efforts to expand dental services to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget by December 15 each year.

L. The Department of Medical Assistance Services shall not require dentists who agree to participate in the delivery of Medicaid pediatric dental care services, or services provided to enrollees in the Family Access to Medical Insurance Security (FAMIS) Plan or any variation of FAMIS, to also deliver services to subscribers enrolled in commercial plans of the managed care vendor, unless the dentist is a willing participant in the commercial managed care plan.

M. The Department of Medical Assistance Services shall implement continued enhancements to the drug utilization review (DUR) program. The department shall continue the Pharmacy Liaison Committee and the DUR Board. The department shall continue to work with the Pharmacy Liaison Committee to implement initiatives for the promotion of cost-effective services delivery as may be appropriate. The department shall report on the Pharmacy Liaison Committee's and the DUR Board's activities to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than

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December 15 each year of the biennium.

N.1. The Department of Medical Assistance Services shall have the authority to seek federal approval of changes to its MEDALLION waiver and its Medallion II waiver.

2. In order to conform the state regulations to the federally approved changes and to implement the provisions of this act, the department shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. The department shall implement these necessary regulatory changes to be consistent with federal approval of the waiver changes.

O.1. The Department of Medical Assistance Services shall develop and pursue cost saving strategies internally and with the cooperation of the Department of Social Services, Virginia Department of Health, Office of the Attorney General, Comprehensive Services Act program, Department of Education, Department of Juvenile Justice, Department of Behavioral Health and Developmental Services, Department for Aging and Rehabilitative Services, Department of the Treasury, University of Virginia Health System, Virginia Commonwealth University Health System Authority, Department of Corrections, federally qualified health centers, local health departments, local school divisions, community service boards, local hospitals, and local governments, that focus on optimizing Medicaid claims and cost recoveries. Any revenues generated through these activities shall be transferred to the Virginia Health Care Fund to be used for the purposes specified in this Item.

2. The Department of Medical Assistance Services shall retain the savings necessary to reimburse a vendor for its efforts to implement paragraph. O.1. of this Item. However, prior to reimbursement, the department shall identify for the Secretary of Health and Human Resources each of the vendor's revenue maximization efforts and the manner in which each vendor would be reimbursed. No reimbursement shall be made to the vendor without the prior approval of the above plan by the Secretary.

P. The Department of Medical Assistance Services shall have the authority to pay contingency fee contractors, engaged in cost recovery activities, from the recoveries that are generated by those activities. All recoveries from these contractors shall be deposited to a special fund. After payment of the contingency fee any prior year recoveries shall be transferred to the Virginia Health Care Fund. The Director, Department of Medical Assistance Services, shall report to the Chairmen of the House Appropriations and Senate Finance Committees the increase in recoveries associated with this program as well as the areas of audit targeted by contractors by November 1 each year.

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

R.1. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, the Department of Medical Assistance Services, in consultation with the Department of Behavioral Health and Developmental Services, shall amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a Preferred Drug List. In developing the modifications, the department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, and others, as appropriate.

2.a. The department shall utilize a Pharmacy and Therapeutics Committee to assist in the development and ongoing administration of the Preferred Drug List program. The Pharmacy and Therapeutics Committee shall be composed of 8 to 12 members, including the Commissioner, Department of Behavioral Health and Developmental Services, or his designee. Other members shall be selected or approved by the department. The membership shall include a ratio of physicians to pharmacists of 2:1 and the department shall ensure that at least one-half of the physicians and pharmacists are either direct providers or are employed with organizations that serve recipients for all segments of the Medicaid population. Physicians on the committee shall be licensed in Virginia, one of whom shall be a psychiatrist, and one of whom specializes in care for the aging. Pharmacists on the committee

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shall be licensed in Virginia, one of whom shall have clinical expertise in mental health drugs, and one of whom has clinical expertise in community-based mental health treatment. The Pharmacy and Therapeutics Committee shall recommend to the department (i) which therapeutic classes of drugs should be subject to the Preferred Drug List program and prior authorization requirements; (ii) specific drugs within each therapeutic class to be included on the preferred drug list; (iii) appropriate exclusions for medications, including atypical anti-psychotics, used for the treatment of serious mental illnesses such as bi-polar disorders, schizophrenia, and depression; (iv) appropriate exclusions for medications used for the treatment of brain disorders, cancer and HIV-related conditions; (v) appropriate exclusions for therapeutic classes in which there is only one drug in the therapeutic class or there is very low utilization, or for which it is not cost-effective to include in the Preferred Drug List program; and (vi) appropriate grandfather clauses when prior authorization would interfere with established complex drug regimens that have proven to be clinically effective. In developing and maintaining the preferred drug list, the cost effectiveness of any given drug shall be considered only after it is determined to be safe and clinically effective.

b. The Pharmacy and Therapeutics Committee shall schedule meetings at least semi-annually and may meet at other times at the discretion of the chairperson and members. At the meetings, the Pharmacy and Therapeutics committee shall review any drug in a class subject to the Preferred Drug List that is newly approved by the Federal Food and Drug Administration, provided there is at least thirty (30) days notice of such approval prior to the date of the quarterly meeting.

3. The department shall establish a process for acting on the recommendations made by the Pharmacy and Therapeutics Committee, including documentation of any decisions which deviate from the recommendations of the committee.

4. The Preferred Drug List program shall include provisions for (i) the dispensing of a 72-hour emergency supply of the prescribed drug when requested by a physician and a dispensing fee to be paid to the pharmacy for such supply; (ii) prior authorization decisions to be made within 24 hours and timely notification of the recipient and/or the prescribing physician of any delays or negative decisions; (iii) an expedited review process of denials by the department; and (iv) consumer and provider education, training and information regarding the Preferred Drug List prior to implementation, and ongoing communications to include computer access to information and multilingual material.

5. The Preferred Drug List program shall generate savings as determined by the department that are net of any administrative expenses to implement and administer the program.

6. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, to implement these changes, the Department of Medical Assistance Services shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act. With respect to such state plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code of Virginia, shall not apply. In addition, the department shall work with the Department of Behavioral Health and Development Services to consider utilizing a Preferred Drug List program for its non-Medicaid clients.

7. The Department of Medical Assistance Services shall (i) continually review utilization of behavioral health medications under the State Medicaid Program for Medicaid recipients; and (ii) ensure appropriate use of these medications according to federal Food and Drug Administration (FDA) approved indications and dosage levels. The department may also require retrospective clinical justification according to FDA approved indications and dosage levels for the use of multiple behavioral health drugs for a Medicaid patient. For individuals 18 years of age and younger who are prescribed three or more behavioral health drugs, the department may implement clinical edits that target inefficient, ineffective, or potentially harmful prescribing patterns in accordance with FDA-approved indications and dosage levels.

8. The Department of Medical Assistance Services shall ensure that in the process of developing the Preferred Drug List, the Pharmacy and Therapeutics Committee considers the value of including those prescription medications which improve drug regimen compliance, reduce medication errors, or decrease medication abuse through the use of

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medication delivery systems that include, but are not limited to, transdermal and injectable delivery systems.

S.1. The Department of Medical Assistance Services may amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a specialty drug program. In developing the modifications, the department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, the Pharmacy Liaison Committee, and others as appropriate.

2. In developing the specialty drug program to implement appropriate care management and control drug expenditures, the department shall contract with a vendor who will develop a methodology for the reimbursement and utilization through appropriate case management of specialty drugs and distribute the list of specialty drug rates, authorized drugs and utilization guidelines to medical and pharmacy providers in a timely manner prior to the implementation of the specialty drug program and publish the same on the department's website.

3. In the event that the Department of Medical Assistance Services contracts with a vendor, the department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

4. The department shall: (i) review, update and publish the list of authorized specialty drugs, utilization guidelines, and rates at least quarterly; (ii) implement and maintain a procedure to revise the list or modify specialty drug program utilization guidelines and rates, consistent with changes in the marketplace; and (iii) provide an administrative appeals procedure to allow dispensing or prescribing provider to contest the listed specialty drugs and rates.

5. The department shall report on savings and quality improvements achieved through the implementation measures for the specialty drug program to the Chairmen of the House Appropriations and Senate Finance Committees, the Joint Commission on Health Care, and the Department of Planning and Budget by November 1 of each year.

6. The department shall have authority to enact emergency regulations under § 2.2-4011 of the Administrative Process Act to effect these provisions.

T.1. The Department of Medical Assistance Services shall reimburse school divisions who sign an agreement to provide administrative support to the Medicaid program and who provide documentation of administrative expenses related to the Medicaid program 50 percent of the Federal Financial Participation by the department.

2. The Department of Medical Assistance Services shall retain five percent of the Federal Financial Participation for reimbursement to school divisions for medical and transportation services.

U. In the event that the Department of Medical Assistance Services decides to contract for pharmaceutical benefit management services to administer, develop, manage, or implement Medicaid pharmacy benefits, the department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

V. The Department of Medical Assistance Services, in cooperation with the Department of Social Services' Division of Child Support Enforcement (DSCE), shall identify and report third party coverage where a medical support order has required a custodial or noncustodial parent to enroll a child in a health insurance plan. The Department of Medical Assistance Services shall also report to the DCSE third party information that has been identified through

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their third party identification processes for children handled by DCSE.

W.1. Within the limits of this appropriation, the Department of Medical Assistance Services shall work with its contracted managed care organizations and fee-for-service health care providers to: (i) raise awareness among the providers who serve the Medicaid population about the health risks of chronic kidney disease; (ii) establish effective means of identifying patients with this condition; and (iii) develop strategies for improving the health status of these patients. The department shall work with the National Kidney Foundation to prepare and disseminate information for physicians and other health care providers regarding generally accepted standards of clinical care and the benefits of early identification of individuals at highest risk of chronic kidney disease.

2. The department shall request any clinical laboratory performing a serum creatinine test on a Medicaid recipient over the age of 18 years to calculate and report to the physician the estimated glomerular filtration rate (eGFR) of the patient and shall report it as a percent of kidney function remaining.

X.1. Notwithstanding the provisions of § 32.1-325.1:1, Code of Virginia, upon identifying that an overpayment for medical assistance services has been made to a provider, the Director, Department of Medical Assistance Services shall notify the provider of the amount of the overpayment. Such notification of overpayment shall be issued within the earlier of (i) four years after payment of the claim or other payment request, or (ii) four years after filing by the provider of the complete cost report as defined in the Department of Medical Assistance Services' regulations, or (iii) 15 months after filing by the provider of the final complete cost report as defined in the Department of Medical Assistance Services' regulations subsequent to sale of the facility or termination of the provider.

2. Notwithstanding the provisions of § 32.1-325.1, Code of Virginia, the director shall issue an informal fact-finding conference decision concerning provider reimbursement in accordance with the State Plan for Medical Assistance, the provisions of § 2.2-4019, Code of Virginia, and applicable federal law. The informal fact-finding conference decision shall be issued within 180 days of the receipt of the appeal request. If the agency does not render an informal fact-finding conference decision within 180 days of the receipt of the appeal request, the decision is deemed to be in favor of the provider. An appeal of the director's informal fact-finding conference decision concerning provider reimbursement shall be heard in accordance with § 2.2-4020 of the Administrative Process Act (§ 2.2-4020 et seq.) and the State Plan for Medical Assistance provided for in § 32.1-325, Code of Virginia. Once a final agency case decision has been made, the director shall undertake full recovery of such overpayment whether or not the provider disputes, in whole or in part, the informal fact-finding conference decision or the final agency case decision. Interest charges on the unpaid balance of any overpayment shall accrue pursuant to § 32.1-313, Code of Virginia, from the date the Director's agency case decision becomes final.

Y. Any hospital that was designated a Medicare-dependent small rural hospital, as defined in 42 U.S.C. §1395ww (d) (5) (G) (iv) prior to October 1, 2004, shall be designated a rural hospital pursuant to 42 U.S.C. §1395ww (d) (8) (ii) (II) on or after September 30, 2004.

Z. The Department of Medical Assistance Services shall implement one or more Program for All Inclusive Care for the Elderly (PACE) programs.

AA. The Department of Medical Assistance Services shall amend its State Plan for Medical Assistance Services to develop and implement a regional model for the integration of acute and long-term care services. This model would be offered to elderly and disabled clients on a mandatory basis. The department shall promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

BB.1. Contingent upon approval by the Centers for Medicare and Medicaid Services as part of the Money Follows the Person demonstration grant, the Department of Medical Assistance Services shall seek federal approval for necessary changes to home and community-based 1915(c) waivers to allow individuals transitioning from institutions to receive care in the community. The Department of Medical Assistance Services shall promulgate any necessary emergency regulations within 280 days or less from the enactment date of this act.

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2. The Department of Medical Assistance Services shall amend the Individual and Family Developmental Disabilities Support (DD) Waiver to add up to 30 new slots (up to 15 each fiscal year) and the Intellectual Disabilities (ID) Waiver to add up to 220 new slots (up to 110 each fiscal year) which will be reserved for individuals transitioning out of institutional settings through the Money Follows the Person Demonstration. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the DD and ID waiver applications to add the additional slots.

CC. The Department of Medical Assistance Services shall have the authority to implement prior authorization and utilization review for community-based mental health services for children and adults. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

DD. The Department of Medical Assistance Services shall delay the last quarterly payment of certain quarterly amounts paid to hospitals, from the end of each state fiscal year to the first quarter of the following year. Quarterly payments that shall be delayed from each June to each July shall be Disproportionate Share Hospital payments, Indirect Medical Education payments, and Direct Medical Education payments. The department shall have the authority to implement this reimbursement change effective upon passage of this act, and prior to the completion of any regulatory process undertaken in order to effect such change.

EE. The Department of Medical Assistance Services shall make the monthly capitation payment to managed care organizations for the member months of each month in the first week of the subsequent month. The department shall have the authority to implement this reimbursement schedule change effective upon passage of this act, and prior to the completion of any regulatory process undertaken in order to effect such change.

FF. In every June the remittance that would normally be paid to providers on the last remittance date of the state fiscal year shall be delayed one week longer than is normally the practice. This change shall apply to the remittances of Medicaid and FAMIS providers. This change does not apply to providers who are paid a per-month capitation payment. The department shall have the authority to implement this reimbursement change effective upon passage of this act, and prior to the completion of any regulatory process undertaken in order to effect such change.

GG. Upon approval by the Centers for Medicare and Medicaid Services of the application for renewal of the Intellectual Disabilities Waiver, expeditious implementation of any revisions shall be deemed an emergency situation pursuant to § 2.2-4002 of the Administrative Process Act. Therefore, to meet this emergency situation, the Department of Medical Assistance Services shall promulgate emergency regulations to implement the provisions of this act.

HH. The Department of Medical Assistance Services shall provide information to personal care agency providers regarding the options available to meet staffing requirements for personal care aides including the completion of provider-offered training or DMAS Personal Care Aide Training Curriculum.

II. The Department of Medical Assistance Services shall impose an assessment equal to 5.5 percent of revenue on all ICF-MR providers. The department shall determine procedures for collecting the assessment, including penalties for non-compliance. The department shall have the authority to adjust interim rates to cover new Medicaid costs as a result of this assessment.

JJ. The Department of Medical Assistance Services shall make programmatic changes in the provision of Intensive In-Home services and Community Mental Health services in order ensure appropriate utilization and cost efficiency. The department shall consider all available options including, but not limited to, prior authorization, utilization review and provider qualifications. The Department of Medical Assistance Services shall promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

KK. Notwithstanding Chapters 228 and 303 of the 2009 Virginia Acts of Assembly and §32.1-323.2 of the Code of Virginia, the Department of Medical Assistance Services shall not add any slots to the Intellectual Disabilities Medicaid Waiver or the Individual and Family Developmental Disabilities and Support Medicaid Waiver other than those slots authorized to specifically to support the Money Follows the Person Demonstration, individuals who are

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exiting state institutions, any slots authorized under Chapters 724 and 729 of the 2011 Virginia Acts of Assembly or §37.2-319, Code of Virginia, or authorized elsewhere in this act.

LL. The Department of Medical Assistance Services shall not adjust rates or the rate ceiling of residential psychiatric facilities for inflation.

MM. The Department of Medical Assistance Services shall have the authority to modify reimbursement for Durable Medical Equipment for incontinence supplies based on competitive bidding subject to approval by the Centers for Medicare and Medicaid Services (CMS). The department shall have the authority to promulgate regulations to become effective within 280 days or less from the enactment of this act.

NN. The Department of Medical Assistance Services shall work with the Department of Behavioral Health and Developmental Services in consultation with the Virginia Association of Community Services Boards, the Virginia Network of Private Providers, the Virginia Coalition of Private Provider Associations, and the Association of Community Based Providers, to establish rates for the Intensive In-Home Service based on quality indicators and standards, such as the use of evidence-based practices.

OO. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to expand principles of care coordination to all geographic areas, populations, and services under programs administered by the department. The expansion of care coordination shall be based on the principles of shared financial risk such as shared savings, performance benchmarks or risk and improving the value of care delivered by measuring outcomes, enhancing quality, and monitoring expenditures. The department shall engage stakeholders, including beneficiaries, advocates, providers, and health plans, during the development and implementation of the care coordination projects. Implementation shall include specific requirements for data collection to ensure the ability to monitor utilization, quality of care, outcomes, costs, and cost savings. The department shall report by November 1 of each year to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees detailing implementation progress including, but not limited to, the number of individuals enrolled in care coordination, the geographic areas, populations and services affected and cost savings achieved. Unless otherwise delineated, the department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change. The intent of this Item may be achieved through several steps, including, but not limited to, the following:

a. In fulfillment of this item, the department may seek federal authority to implement a care coordination program for Elderly or Disabled with Consumer Direction (EDCD) waiver participants effective October 1, 2011. This service would be provided to adult EDCD waiver participants on a mandatory basis. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

b. In fulfillment of this item, the department may seek federal authority through amendments to the State Plan under Title XIX of the Social Security Act, and any necessary waivers, to allow individuals enrolled in Home and Community Based Care (HCBC) waivers to also be enrolled in contracted Medallion II managed care organizations for the purposes of receiving acute and medical care services. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

c. In fulfillment of this item, the department and the Department of Behavioral Health and Developmental Services, in collaboration with the Community Services Boards and in consultation with appropriate stakeholders, shall develop a blueprint for the development and implementation of a care coordination model for individuals in need of behavioral health services not currently provided through a managed care organization. The overall goal of the project is to improve the value of behavioral health services purchased by the Commonwealth of Virginia without compromising access to behavioral health services for vulnerable populations. Targeted case management services will continue to be the responsibility of the Community Services Boards. The blueprint shall: (i) describe the

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steps for development and implementation of the program model(s) including funding, populations served, services provided, timeframe for program implementation, and education of clients and providers; (ii) set the criteria for medical necessity for community mental health rehabilitation services; and (iii) include the following principles:

1. Improves value so that there is better access to care while improving equity.

2. Engages consumers as informed and responsible partners from enrollment to care delivery.

3. Provides consumer protections with respect to choice of providers and plans of care.

4. Improves satisfaction among providers and provides technical assistance and incentives for quality improvement.

5. Improves satisfaction among consumers by including consumer representatives on provider panels for the development of policy and planning decisions.

6. Improves quality, individual safety, health outcomes, and efficiency.

7. Develops direct linkages between medical and behavioral services in order to make it easier for consumers to obtain timely access to care and services, which could include up to full integration.

8. Builds upon current best practices in the delivery of behavioral health services.

9. Accounts for local circumstances and reflects familiarity with the community where services are provided.

10. Develops service capacity and a payment system that reduces the need for involuntary commitments and prevents default (or diversion) to state hospitals.

11. Reduces and improves the interface of vulnerable populations with local law enforcement, courts, jails, and detention centers.

12. Supports the responsibilities defined in the Code of Virginia relating to Community Services Boards and Behavioral Health Authorities.

13. Promotes availability of access to vital supports such as housing and supported employment.

14. Achieves cost savings through decreasing avoidable episodes of care and hospitalizations, strengthening the discharge planning process, improving adherence to medication regimens, and utilizing community alternatives to hospitalizations and institutionalization.

15. Simplifies the administration of acute psychiatric, community mental health rehabilitation, and medical health services for the coordinating entity, providers, and consumers.

16. Requires standardized data collection, outcome measures, customer satisfaction surveys, and reports to track costs, utilization of services, and outcomes. Performance data should be explicit, benchmarked, standardized, publicly available, and validated.

17. Provides actionable data and feedback to providers.

18. In accordance with federal and state regulations, includes provisions for effective and timely grievances and appeals for consumers.

d. The department may seek the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to develop and implement a care coordination model, that is consistent with the principles in Paragraph e, for individuals in need of behavioral health services not currently provided through managed care to be effective July 1, 2012. This model may be applied to individuals on a mandatory basis. The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

e.1. The department may seek the necessary waiver(s) and/or State Plan authorization under Title XIX of the Social Security Act to develop and implement a care coordination model for individuals dually eligible for services under both Medicare and Medicaid. The Director of

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the Department of Medical Assistance Services, in consultation with the Secretary of Health and Human Resources, shall establish a stakeholder advisory committee to support implementation of dual-eligible care coordination systems. The advisory committee shall support the dual-eligible initiatives by identifying care coordination and quality improvement priorities, assisting in securing analytic and care management support resources from federal, private and other sources and helping design and communicate performance reports. The advisory committee shall include representation from health systems, health plans, long-term care providers, health policy researchers, physicians, and others with expertise in serving the aged, blind, and disabled, and dual-eligible populations. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

2. There is hereby created in the state treasury a special nonreverting fund to be known as the Commonwealth Coordinated Care Pay for Performance Fund, hereafter referred to as the "fund." The fund shall be established on the books of the Comptroller and any moneys remaining in the Fund at the end of each fiscal year shall not revert to the general fund but shall remain in the fund. Moneys deposited to the fund shall be used solely for bonus payments to managed care organizations participating in the Commonwealth Coordinated Care program that meet the performance criteria of the pay for performance program specified in paragraph OO.e.1.

3. The department is authorized to implement a quality withhold program in the context of the initiative implemented pursuant to OO.e.1. Quality withhold funds, withheld from health plan capitation payments, shall be deposited in the fund created pursuant to OO.e.2. At the time and in the amounts determined by DMAS and Centers for Medicare and Medicaid Services, DMAS shall be authorized to make payments from the fund to health plans that meet quality performance measures stipulated in the Memorandum of Understanding and contract with health plans entered into pursuant to OO.e.1. Funds deposited in the fund may be used only for such payments.

4. The Department of Planning and Budget in collaboration with the Department of Medical Assistance services shall transfer general fund appropriation withheld from funds set aside in connection with a pay for performance program related to the dual eligible initiative pursuant to paragraph OO.e.1., to the fund.

PP. The Department of Medical Assistance Services shall make programmatic changes in the provision of Residential Treatment Facility (Level C) and Levels A and B residential services (group homes) for children with serious emotional disturbances in order ensure appropriate utilization and cost efficiency. The department shall consider all available options including, but not limited to, prior authorization, utilization review and provider qualifications. The department shall have authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

QQ. The Department of Medical Assistance Services, in consultation with the appropriate stakeholders, shall seek federal authority to implement a pricing methodology to modify or replace the current pricing methodology for pharmaceutical products as defined in 12 VAC 30-80-40, including the dispensing fee, with an alternative methodology that is budget neutral or that creates cost savings. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

RR. The Department of Medical Assistance Services shall make programmatic changes to the recipient utilization (Client Medical Management) program in order ensure appropriate utilization, prevent abuse, and promote improved and cost efficient medical management of essential Medicaid client health care. The department shall consider all available options including, but not limited to, utilization review, program criteria, and client enrollment. The Department of Medical Assistance Services shall promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

SS. The Department of Medical Assistance Services shall mandate that payment rates negotiated between participating Medicaid managed care organizations and out-of-network providers for emergency or otherwise authorized treatment shall be considered payment in full. In the absence of rates negotiated between the managed care organization

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and the out-of-network provider, these services shall be reimbursed at the Virginia Medicaid fees and/or rates and shall be considered payment in full. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

TT. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to convert the current cost-based reimbursement methodology for outpatient hospitals to an Enhanced Ambulatory Patient Group (EAPG) methodology. Reimbursement for laboratory services shall be included in the new outpatient hospital reimbursement methodology. The new EAPG reimbursement methodology shall be implemented in a budget-neutral manner. The department shall have the authority to promulgate regulations to become effective within 280 days or less from the enactment of this act.

UU. The Department of Medical Assistance Services shall seek federal authority to move the family planning eligibility group from a demonstration waiver to the State Plan for Medical Assistance. The department shall seek approval of coverage under this new state plan option for individuals with income up to 200 percent of the federal poverty level. For the purposes of this section, family planning services shall not cover payment for abortion services and no funds shall be used to perform, assist, encourage or make direct referrals for abortions. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

VV. The Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance to enroll and reimburse freestanding birthing centers accredited by the Commission for the Accreditation of Birthing Centers. Reimbursement shall be based on the Enhanced Ambulatory Patient Group methodology applied in a manner similar to the reimbursement methodology for ambulatory surgery centers. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

WW. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to pay Medicare rates for primary care services performed by primary care physicians as mandated in §1202 of the federal Health Care and Education Reconciliation Act of 2010 (“HCERA”; P.L. 111-152). Primary care services are defined as certain evaluation and management (E&M) services and services related to immunization administration for vaccines and toxoids. Eligible physicians are defined as physicians with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine. The department shall have the authority to establish procedures to determine which providers meet the criteria. The rate increase shall be effective for a two-year period with dates of service beginning January 1, 2013, through December 31, 2014. As prescribed in HCERA, the department shall claim 100 percent federal matching funds for the difference in payments between the Medicaid fee schedule effective July 1, 2009, and the Medicare rate effective January 1, 2013. HCERA also mandates that the increase be applied to Managed Care services. The department shall have authority to implement these reimbursement changes, and consistent with the federal rule implementing § 1202 of HCERA and State Plan Amendment approved by the Centers for Medicare and Medicaid Services.

XX.1. In response to the unfavorable outcome to an appeal by the Department of Medical Assistance Services in federal court regarding reimbursement for services furnished to Medicaid members in a residential treatment center or freestanding psychiatric hospital, the department shall revise reimbursement for services furnished Medicaid members in residential treatment centers and freestanding psychiatric hospitals to include professional, pharmacy and other services to be reimbursed separately as long as the services are in the plan of care developed by the residential treatment center or the freestanding psychiatric hospital and arranged by the residential treatment center or the freestanding psychiatric hospital. The department shall require residential treatment centers to include all services in the plan of care needed to meet the member's physical and psychological well-being while in the facility but may also include services in the community or as part of an emergency.

2. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days from the enactment of this act.

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YY. The Department of Medical Assistance Services may seek federal authority through amendments to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to allow foster care children, on a regional basis to be determined by the department, to be enrolled in Medicaid managed care (Medallion II). The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

ZZ. The Department of Medical Assistance Services shall have the authority to amend the State Plans under Title XIX and Title XXI of the Social Security Act in order to comply with the mandated provider screening provisions of the federal Affordable Care Act (P.L. 111-148 and 111-152). The department shall have authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

AAA. The department may seek federal authority through amendments to the State Plans under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to develop and implement programmatic and system changes that allow expedited enrollment of Medicaid eligible recipients into Medicaid managed care, most importantly for pregnant women. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment date of this act.

BBB.1. The Department of Medical Assistance Services, related to appeals administered by and for the department, shall have authority to amend regulations to:

i. Utilize the method of transmittal of documentation to include email, fax, courier, and electronic transmission.

ii. Clarify that the day of delivery ends at normal business hours of 5:00 pm.

iii. Eliminate an automatic dismissal against DMAS for alleged deficiencies in the case summary that do not relate to DMAS's obligation to substantively address all issues specified in the provider's written notice of informal appeal. A process shall be added, by which the provider shall file with the informal appeals agent within 12 calendar days of the provider's receipt of the DMAS case summary, a written notice that specifies any such alleged deficiencies that the provider knows or reasonably should know exist. DMAS shall have 12 calendar days after receipt of the provider's timely written notification to address or cure any of said alleged deficiencies. The current requirement that the case summary address each adjustment, patient, service date, or other disputed matter identified in the provider's written notice of informal appeal in the detail set forth in the current regulation shall remain in force and effect, and failure to file a written case summary with the Appeals Division in the detail specified within 30 days of the filing of the provider's written notice of informal appeal shall result in dismissal in favor of the provider on those issues not addressed by DMAS.

iv. Clarify that appeals remanded to the informal appeal level via Final Agency Decision or court order shall reset the timetable under DMAS' appeals regulations to start running from the date of the remand.

v. Clarify the department's authority to administratively dismiss untimely filed appeal requests.

vi. Clarify the time requirement for commencement of the formal administrative hearing.

2. The Department of Medical Assistance Services shall have authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

CCC. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to eliminate hospital inflation for FY 2015 and FY 2016. This shall apply to inpatient hospital operating rates (including long-stay and freestanding psychiatric), graduate medical education (GME) payments and disproportionate share hospital (DSH) payments. Similar reductions shall be made to the general fund share for Type One hospitals as reflected in Item 301 B. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to completion of

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any regulatory process in order to effect such changes.

DDD. The Department of Medical Assistance Services shall amend the 1915 (c) home- and community-based Intellectual Disabilities waiver to add 115 slots effective July 1, 2014 and an additional 410 slots effective July 1, 2015.

EEE. The Department of Medical Assistance Services shall amend the Individual and Family Developmental Disabilities Support (DD) waiver to add 15 new slots effective July 1, 2014 and an additional 40 slots effective July 1, 2015. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the DD waiver to add the additional slots.

FFF. The Department of Medical Assistance Services shall amend its regulations, subject to the federal Centers for Medicare and Medicaid Services approval, to strengthen the qualifications and responsibilities of the Consumer Directed Service Facilitator to ensure the health, safety and welfare of Medicaid home- and community-based waiver enrollees. The department shall have the authority to promulgate emergency regulations to implement this change effective July 1, 2012.

GGG. It is the intent of the General Assembly that the implementation and administration of the care coordination contract for behavioral health services be conducted in a manner that insures system integrity and engages private providers in the independent assessment process. In addition, it is the intent that in the provision of services that ethical and professional conflicts are avoided and that sound clinical decisions are made in the best interests of the individuals receiving behavioral health services. As part of this process, the department shall monitor the performance of the contract to ensure that these principles are met and that stakeholders are involved in the assessment, approval, provision, and use of behavioral health services provided as a result of this contract.

HHH. 1. Notwithstanding the requirements of Code of Virginia §2.2-4000, et seq., the Department of Medical Assistance Services shall amend the state plan and appropriate waivers under Title XIX of the Social Security Act to implement a process for administrative appeals of Medicaid/Medicare dual eligible recipients in accordance with terms of the Memorandum of Understanding between the department and the Centers for Medicare and Medicaid Services for the financial alignment demonstration program for dual eligible recipients. The department shall implement this change within 280 days or less from the enactment of this Appropriation Act.

2. The department shall report by November 1 of each year to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget detailing implementation progress of the financial alignment demonstration. This report shall include, but is not limited to, costs of implementation, projected cost savings, number of individuals enrolled, and any other implementation issues that arise.

III. Effective July 1, 2013, the Department of Medical Assistance Services shall have the authority, to establish a 25 percent higher reimbursement rate for congregate residential services for individuals with complex medical or behavioral needs currently residing in an institution and unable to transition to integrated settings in the community due to the need for services that cannot be provided within the maximum allowable rate, or individuals whose needs present imminent risk of institutionalization and enhanced waiver services are needed beyond those available within the maximum allowable rate. The department shall have authority to promulgate regulations to implement this change within 280 days or less from the enactment of this act.

JJJ. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to allow for delivery of notices of program reimbursement or other items referred to in the regulations related to provider appeals by electronic means consistent with the Uniform Electronic Transactions Act. The department shall implement this change effective July 1, 2013, and prior to completion of any regulatory process undertaken in order to effect such changes.

KKK. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to convert the current cost-based payment methodology for nursing facility

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operating rates in 12 VAC 30-90-41 to a price-based methodology effective July 1, 2014. The new price-based payment methodology shall be implemented in a budget neutral manner.

1. The department shall calculate prospective operating rates for direct and indirect costs in the following manner:

a. The department shall calculate the cost per day in the base year for direct and indirect operating costs for each nursing facility. The department shall use existing definitions of direct and indirect costs.

b. The initial base year for calculating the cost per day is cost reports ending in calendar year 2011. The department shall rebase prices in fiscal year 2018 and every three years thereafter using the most recent reliable calendar year cost-settled cost reports for freestanding nursing facilities that have been completed as of September 1.

c. Each nursing facility's direct cost per day shall be neutralized by dividing the direct cost per day by the raw Medicaid facility case-mix that corresponds to the base year by facility.

d. Costs per day shall be inflated to the midpoint of the fiscal year rate period using the moving average Virginia Nursing Home inflation index for the 4th quarter of each year (the midpoint of the fiscal year). Costs in the 2011 base year shall be inflated from the midpoint of the cost report year to the midpoint of fiscal year 2012 by pro-rating fiscal year 2012 inflation and annual inflation after that. Annual inflation adjustments shall be based on the last available report prior to the beginning of the fiscal year and corrected for any revisions to prior year inflation.

e. Prices will be established for the following peer groups using a combination of Medicare wage regions and Medicaid rural and bed size modifications based on similar costs.

1) Direct Peer groups

- Northern Virginia MSA

- Other MSAs

- Northern Rural

- Southern Rural

2) Indirect Peer Groups

- Northern Virginia MSA

- Rest of State – Greater than 60 Beds

- Other MSAs

- Northern Rural

- Southern Rural

- Rest of State – 60 Beds or Less

f. The price for each peer group shall be based on the following adjustment factors:

1) Direct - 105 percent of the peer group day-weighted median neutralized and inflated cost per day for freestanding nursing facilities.

2) Indirect - 100.7 percent of the peer group day-weighted median inflated cost per day for freestanding nursing facilities.

g. Facilities with costs projected to the rate year below 95 percent of the price shall have an adjusted price equal to the price minus the difference between their cost and 95 percent of the unadjusted price. Adjusted prices will be established at each rebasing. New facilities after the base year shall not have an adjusted price until the next rebasing. The “spending

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floor" limits the potential gain of low cost facilities, thereby making it possible to implement higher adjustment factors for other facilities at less cost.

h. Individual claim payment for direct costs shall be based on each resident's Resource Utilization Group (RUG) during the service period times the facility direct price (similar to Medicare).

i. Resource Utilization Group (RUG) is a resident classification system that groups nursing facility residents according to resource utilization and assigns weights related to the resource utilization for each classification. The department shall use RUGS to determine facility case mix for cost neutralization in determining the direct costs used in setting the price and for adjusting the claim payments for residents. The department may elect to transition from the RUG-III 34 Medicaid grouper to the RUG-IV 48 grouper in the following manner.

1) The department shall neutralize direct costs per day in the base year using the most current RUG grouper applicable to the base year.

2) The department shall utilize RUG-III 34 groups and weights in fiscal year 2015 for claim payments.

3) Beginning in fiscal year 2016, the department may elect to implement RUG-IV 48 Medicaid groups and weights for claim payments.

4) RUG-IV 48 weights used for claim payments will be normalized to RUG-III 34 weights as long as base year costs are neutralized by the RUG-III 34 group. In that the weights are not the same under RUG IV as under RUG III, normalization will insure that total payments in direct using the RUGs IV 48 weights will be the same as total payments in direct using the RUGs-III 34 grouper.

j. The department shall transition to the price-based methodology over a period of four years, blending the price-based rate described here with the cost-based rate based on current law with the following adjustments. The facility cost-based operating rates shall be the direct and indirect rates for fiscal year 2015 based on facility case-mix neutral rates modeled after the law that would have been in effect in fiscal year 2015 absent this amendment and using base year data from calendar year 2011 inflated to the rate year. Based on a four-year transition, the rate will be based on the following blend:

1) Fiscal year 2015 - 25 percent of the price-based rate and 75 percent of the cost-based rate.

2) Fiscal year 2016 - 50 percent of the price-based rate and 50 percent of the cost-based rate.

3) Fiscal year 2017 - 75 percent of the price-based rate and 25 percent of the cost-based rate.

4) Fiscal year 2018 - 100 percent of the price-based (fully implemented).

During the first transition year for the period July 1, 2014 through October 31, 2014, DMAS shall case-mix adjust each direct cost component of the rates using the average facility case-mix from the two most recent finalized quarters (September and December 2013) instead of adjusting this component claim by claim.

Cost-based rates to be used in the transition for facilities without cost data in the base year but placed in service prior to July 1, 2013 shall be determined based on the most recently settled cost data. If there is no settled cost report at the beginning of a fiscal year, then 100 percent of the price-based rate shall be used for that fiscal year. Facilities placed in service after June 30, 2013 shall be paid 100 percent of the price-based rate.

2. Prospective capital rates shall be calculated in the following manner.

a. Fair rental value per diem rates for the fiscal year shall be calculated for all freestanding nursing facilities based on the prior calendar year information aged to the fiscal year and using RS Means factors and rental rates corresponding to the fiscal year. There will be no separate calculation for beds subject to and not subject to transition.

b. The department shall develop a procedure for mid-year fair rental value per diem rate changes for nursing facilities that put into service a major renovation or new beds. A major renovation shall be defined as an increase in capital of $3,000 per bed. The nursing facility

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shall submit complete pro forma documentation at least 60 days prior to the effective date and the new rate shall be effective at the beginning of the month following the end of the 60 days. The provider shall submit final documentation within 60 days of the new rate effective date and the department shall review final documentation and modify the rate if necessary effective 90 days after the implementation of the new rate. No mid-year rate changes shall be made for an effective date after April 30 of the fiscal year.

c. Effective July 1, 2014, the rental rate shall be 8.0 percent.

d. These FRV changes shall also apply to specialized care facilities.

e. The capital per diem rate for hospital-based nursing facilities shall be the last settled capital per diem.

3. Prospective Nurse Aide Training and Competency Evaluation Programs (NATCEP) rates shall be the Medicaid per diem rate in the base year inflated to the rate year based on inflation used in the operating rate calculations.

4. A prospective rate for criminal records checks shall be the per diem rate in the base year.

5. The department shall have the authority to implement these payment changes effective July 1, 2014 and prior to completion of any regulatory process in order to effect such changes.

6. The department shall amend the State Plan for Medical Assistance to reimburse the price-based operating rate rather than the transition operating rate to any nursing facility whose licensed bed capacity decreased by at least 30 beds after 2011 and whose occupancy increased from less than 70 percent in 2011 to more than 80 percent in 2013. The department shall have the authority to implement this reimbursement change effective July 1, 2015, and prior to completion of any regulatory process in order to effect such change.

LLL. The Department of Medical Assistance Services shall amend its State Plan under Title XIX of the Social Security Act to implement reasonable restrictions on the amount of incurred dental expenses allowed as a deduction from income for nursing facility residents. Such limitations shall include: (i) that routine exams and x-rays, and dental cleaning shall be limited to twice yearly; (ii) full mouth x-rays shall be limited to once every three years; and (iii) deductions for extractions and fillings shall be permitted only if medically necessary as determined by the department.

MMM. Notwithstanding §32.1-325, et seq. and §32.1-351, et seq. of the Code of Virginia, and effective upon the availability of subsidized private health insurance offered through a Health Benefits Exchange in Virginia as articulated through the federal Patient Protection and Affordable Care Act (PPACA), the Department of Medical Assistance Services shall eliminate, to the extent not prohibited under federal law, Medicaid Plan First and FAMIS Moms program offerings to populations eligible for and enrolled in said subsidized coverage in order to remove disincentives for subsidized private healthcare coverage through publicly-offered alternatives. To ensure, to the extent feasible, a smooth transition from public coverage, DMAS shall endeavor to phase out such coverage for existing enrollees once subsidized private insurance is available through a Health Benefits Exchange in Virginia. The department shall implement any necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

NNN. The Department of Medical Assistance Services shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any waivers thereof, to implement requirements of the federal Patient Protection and Affordable Care Act (PPACA) as it pertains to implementation of Medicaid and CHIP eligibility determination and case management standards and practices, including the Modified Adjusted Gross Income (MAGI) methodology. The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

OOO. Effective July 1, 2013, the Department of Medical Assistance Services shall

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establish a Medicaid Physician and Managed Care Liaison Committee including, but not limited to, representatives from the following organizations: the Virginia Academy of Family Physicians; the American Academy of Pediatricians – Virginia Chapter; the Virginia College of Emergency Physicians; the American College of Obstetrics and Gynecology – Virginia Section; Virginia Chapter, American College of Radiology; the Psychiatric Society of Virginia; the Virginia Medical Group Management Association; and the Medical Society of Virginia. The committee shall also include representatives from each of the department's contracted managed care organizations and a representative from the Virginia Association of Health Plans. The committee will work with the department to investigate the implementation of quality, cost-effective health care initiatives, to identify means to increase provider participation in the Medicaid program, to remove administrative obstacles to quality, cost-effective patient care, and to address other matters as raised by the department or members of the committee. The committee shall meet semi-annually, or more frequently if requested by the department or members of the committee. The department, in cooperation with the committee, shall report on the committee's activities annually to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance Committees and the Department of Planning and Budget no later than October 1 each year.

PPP. The Department of Medical Assistance Services shall establish a work group of representatives of providers of home- and community-based care services to continue improvements in the audit process and procedures for home- and community-based utilization and review audits. The Department of Medical Assistance Services shall report on any revisions to the methodology for home- and community-based utilization and review audits, including progress made in addressing provider concerns and solutions to improve the process for providers while ensuring program integrity. In addition, the report shall include documentation of the past year's audits, a summary of the number of audits to which retractions were assessed and the total amount, the number of appeals received and the results of appeals. The report shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees by December 1 of each year.

QQQ. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to calculate an indirect medical education (IME) factor for Virginia freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009. 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 federal uncompensated care cost limit that disproportionate share hospital payments are subject to. The department shall have the authority to implement these reimbursement changes effective July 1, 2013, and prior to completion of any regulatory process undertaken in order to effect such change.

RRR. The Department of Medical Assistance Services shall realign the billable activities paid for individual supported employment provided under the Medicaid home- and community-based waivers to be consistent with job development and job placement services provided through employment services organizations that are reimbursed by the Department for Aging and Rehabilitative Services. The department shall have the authority to implement this reimbursement change effective July 1, 2013, and prior to the completion of any regulatory process undertaken in order to effect such change.

SSS. Effective July 1, 2013, the Department of Medical Assistance Services shall take the steps necessary to amend the Intellectual Disability Waiver and the Individual and Family Developmental Disabilities Support Waiver to change the unit of service for skilled and private duty nursing from the current one hour to one-quarter of an hour. The department shall implement this change using a methodology that is budget neutral.

TTT.1. The Department of Medical Assistance Services shall seek federal authority through any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to implement a comprehensive value-driven, market-based reform of the Virginia Medicaid/FAMIS programs. This reform shall be implemented in three phases as outlined in paragraphs 2, 3 and 4. The department shall have authority to implement necessary changes when feasible after federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

2. In the first phase of reform, the Department of Medical Assistance Services shall continue currently authorized reforms of the Virginia Medicaid/FAMIS service delivery model that

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shall, at a minimum, include (i) implementation of a Medicare-Medicaid Enrollee (dual eligible) Financial Alignment demonstration as evidenced by a Memorandum of Understanding with the Centers for Medicare and Medicaid Services (CMS), signing of a three-way contract with CMS and participating plans, and approval of the necessary amendments to the State Plan for Medical Assistance and any waivers thereof; (ii) enhanced program integrity and fraud prevention efforts to include at a minimum: recovery audit contracting (RAC), data mining, service authorization, enhanced coordination with the Medicaid Fraud Control Unit (MFCU), and Payment Error Rate Measurement (PERM); (iii) inclusion of children enrolled in foster care in managed care; (iv) implementation of a new eligibility and enrollment information system for Medicaid and other social services; (v) improved access to Veterans services through creation of the Veterans Benefit Enhancement Program; and (vi) expedite the tightening of standards, services limits, provider qualifications, and licensure requirements for community behavioral health services.

3. In the second phase of reform, the Department of Medical Assistance Services shall implement value-based purchasing reforms for all recipients subject to a Modified Adjusted Gross Income (MAGI) methodology for program eligibility and any other recipient categories not excluded from the Medallion II managed care program. Such reforms shall, at a minimum, include the following: (i) the services and benefits provided are the types of services and benefits provided by commercial insurers and may include appropriate and reasonable limits on services such as occupational, physical, and speech therapy, and home care with the exception of non-traditional behavioral health and substance use disorder services; (ii) reasonable limitations on non-essential benefits such as non-emergency transportation are implemented; and (iii) patient responsibility is required including reasonable cost-sharing and active patient participation in health and wellness activities to improve health and control costs.

To administer this reformed delivery model, the department is authorized to contract with qualified health plans to offer recipients a Medicaid benefit package adhering to these principles. Any coordination of non-traditional behavioral health services covered under contract with qualified health plans or through other means shall adhere to the principles outlined in paragraph OO. c. This reformed service delivery model shall be mandatory, to the extent allowed under the relevant authority granted by the federal government and shall, at a minimum, include (i) limited high-performing provider networks and medical/health homes; (ii) financial incentives for high quality outcomes and alternative payment methods; (iii) improvements to encounter data submission, reporting, and oversight; (iv) standardization of administrative and other processes for providers; and (v) support of the health information exchange.

The second phase of reform shall also include administrative simplification of the Medicaid program through any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act and outline agreed upon parameters and metrics to provide maximum flexibility and expedited ability to develop and implement pilot programs to test innovative models that (i) leverage innovations and variations in regional delivery systems; (ii) link payment and reimbursement to quality and cost containment outcomes; or (iii) encourage innovations that improve service quality and yield cost savings to the Commonwealth. Upon federal approval, the department shall have authority to implement such pilot programs prior to the completion of the regulatory process.

4. In the third phase of reform, the Department of Medical Assistance Services shall seek reforms to include all remaining Medicaid populations and services, including long-term care and home- and community-based waiver services into cost-effective, managed and coordinated delivery systems. The department shall begin designing the process and obtaining federal authority to transition all remaining Medicaid beneficiaries into a coordinated delivery system.

5. The Department of Medical Assistance Services shall provide a report to the Medicaid Innovation and Reform Commission on the specific waiver and/or State Plan changes that have been approved and status of implementing such changes, and associated cost savings or cost avoidance to Medicaid/FAMIS expenditures.

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I VETO THIS ITEM WHICH IS UNCONSTITUTIONAL. /s/ Terence R. McAuliffe (6/21/14)(Vetoed item is enclosed in brackets.)

[6.a. The Department shall seek the approval of the Medicaid Innovation and Reform Commission to amend the State Plan for Medicaid Assistance under Title XIX of the Social Security Act, and any waivers thereof, to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act. If the Medicaid Innovation and Reform Commission determines that the conditions in paragraphs 2, 3, 4, and 5 have been met, then the Commission shall approve implementation of coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act.

b. Upon approval by the Medicaid Innovation and Reform Commission, the department shall implement the provisions in paragraph 6.a. of this item by July 1, 2014, or as soon as feasible thereafter.

7.a. Contingent upon the expansion of eligibility in paragraph 6.a.,] there is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Health Reform and Innovation Fund, hereafter referred to as the "Fund." The Fund shall be established on the books of the Comptroller and any moneys remaining in the Fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. For purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, however, all deposits to and disbursements from the Fund shall be accounted for as part of the general fund of the state treasury.

b. The Director of the Department of Medical Assistance Services, in consultation with the Director of the Department of Planning and Budget, shall annually identify projected general fund savings attributable to enrollment of newly eligible individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA, including behavioral health services, inmate health care, and indigent care. Beginning with development of the fiscal year 2015 budget, these projected savings shall be reflected in reduced appropriations to the affected agencies and the amounts deposited into the Fund net of any appropriation increases necessary to meet resulting programmatic requirements of the Department of Medical Assistance Services. Beginning in fiscal year 2015, funding to support health innovations described in Paragraph 3 shall be appropriated from the Fund not to exceed $3.5 million annually. Funding shall be distributed through health innovation grants to private and public entities in order to reduce the annual rate of growth in health care spending or improve the delivery of health care in the Commonwealth. When the department, in consultation with the Department of Planning and Budget, determines that the general fund expenses incurred from coverage of newly eligible individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA exceed any associated savings, a percentage of the principle of the Fund as determined necessary by the department and the Department of Planning and Budget to cover the cost of the newly eligible population shall be reallocated to the general fund and appropriated to the department to offset the cost of this population. Principle shall be allocated on an annual basis for as long as funding is available**.**

8. In the event that the increased federal medical assistance percentages for newly eligible individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA is modified through federal law or regulation from the methodology in effect on January 1, 2014, resulting in a reduction in federal medical assistance as determined by the department in consultation with the Department of Planning and Budget, the Department of Medical Assistance Services shall disenroll and eliminate coverage for individuals who obtained coverage through 42 U.S.C. § 1396d(y)(1) [2010] of the PPACA. The disenrollment process shall include written notification to affected Medicaid beneficiaries, Medicaid managed care plans, and other providers that coverage will cease as soon as allowable under federal law from the date the department is notified of a reduction in Federal Medical Assistance Percentage.

9. That notwithstanding any other provision of this act, or any other law, no general or nongeneral funds shall be appropriated or expended for such costs as may be incurred to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act, unless included in an appropriation bill adopted by the General Assembly on or after July 1, 2014.

UUU.1. The Director of the Department of Medical Assistance Services shall continue to

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make improvements in the provision of health and long-term care services under Medicaid/FAMIS that are consistent with evidence-based practices and delivered in a cost effective manner to eligible individuals.

2. In order to effect such improvements and ensure that reform efforts are cost effective relative to current forecasted Medicaid/FAMIS expenditure levels, the Department of Medical Assistance Services shall (i) develop a five-year consensus forecast of expenditures and savings associated with the Virginia Medicaid/FAMIS reform efforts by November 15 of each year in conjunction with the Department of Planning and Budget, and with input from the House Appropriations and Senate Finance Committees, and (ii) engage stakeholder involvement in meeting annual targets for quality and cost-effectiveness.

VVV. Effective July 1, 2014, the Department of Medical Assistance Services shall replace the AP-DRG grouper with the APR-DRG grouper for hospital inpatient reimbursement. The department shall develop budget neutral case rates and Virginia-specific weights for the APR-DRG grouper based on the FY 2011 base year. The department shall phase in the APR-DRG weights by blending in 50 percent of the full APR-DRG weights with 50 percent of FY 2014 AP-DRG weights in the first year and 75 percent of the full APR-DRG weights with 25 percent of the FY 2014 AP-DRG weights in the second year for each APR-DRG group and severity. FY 2014 AP-DRG weights shall be calculated as a weighted average FY 2014 AP-DRG weight for all claims in the base year that group to each APR-DRG group and severity. Full APR-DRG weights shall be used in the third year and succeeding years for each APR-DRG group and severity. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to completion of any regulatory process in order to effect such changes.

WWW.1. Effective July 1, 2014, the Department of Medical Assistance Services shall replace the current Disproportionate Share Hospital (DSH) methodology with the following methodology:

a) DSH eligible hospitals must have a total Medicaid Inpatient Utilization Rate equal to 14 percent or higher in the base year using Medicaid days eligible for Medicare DSH or a Low Income Utilization Rate in excess of 25 percent and meet other federal requirements. Eligibility for out of state cost reporting hospitals shall be based on total Medicaid utilization or on total Medicaid NICU utilization equal to 14 percent or higher.

b) Each hospital's DSH payment shall be equal to the DSH per diem multiplied by each hospital's eligible DSH days in a base year. Days reported in provider fiscal years in state FY 2011 will be the base year for FY 2015 prospective DSH payments. DSH will be recalculated annually with an updated base year. DSH payments are subject to applicable federal limits.

c) Eligible DSH days are the sum of all Medicaid inpatient acute, psychiatric and rehabilitation days above 14 percent for each DSH hospital subject to special rules for out of state cost reporting hospitals. Eligible DSH days for out of state cost reporting hospitals shall be the higher of the number of eligible days based on the calculation in the first sentence times Virginia Medicaid utilization (Virginia Medicaid days as a percent of total Medicaid days) or the Medicaid NICU days above 14 percent times Virginia NICU Medicaid utilization (Virginia NICU Medicaid days as a percent of total NICU Medicaid days). Eligible DSH days for out of state cost reporting hospitals who qualify for DSH but who have less than 12 percent Virginia Medicaid utilization shall be 50 percent of the days that would have otherwise been eligible DSH days.

d) Additional eligible DSH days are days that exceed 28 percent Medicaid utilization for Virginia Type Two hospitals (excluding Children's Hospital of the Kings Daughters).

e) The DSH per diem shall be calculated in the following manner:

a. The DSH per diem for Type Two hospitals is calculated by dividing the total Type Two DSH allocation by the sum of eligible DSH days for all Type Two DSH hospitals. For purposes of DSH, Type Two hospitals do not include Children's Hospital of the Kings Daughters (CHKD) or any hospital whose reimbursement exceeds its federal uncompensated care cost limit. The Type Two Hospital DSH allocation shall equal the

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amount of DSH paid to Type Two hospitals in state FY 2014 increased annually by the percent change in the federal allotment, including any reductions as a result of the Affordable Care Act, adjusted for the state fiscal year.

b. The DSH per diem for State Inpatient Psychiatric Hospitals is calculated by dividing the total State Inpatient Psychiatric Hospital DSH allocation by the sum of eligible DSH days. The State Inpatient Psychiatric Hospital DSH allocation shall equal the amount of DSH paid in state FY 2013 increased annually by the percent change in the federal allotment, including any reductions as a result of the Affordable Care Act, adjusted for the state fiscal year.

c. The DSH per diem for CHKD shall be three times the DSH per diem for Type Two hospitals.

d. The DSH per diem for Type One hospitals shall be 17 times the DSH per diem for Type Two hospitals.

2. Each year, the department shall determine how much Type Two DSH has been reduced as a result of the Affordable Care Act and adjust the percent of cost reimbursed for outpatient hospital reimbursement.

3. The department shall convene the Hospital Payment Policy Advisory Council at least once a year to consider additional changes to the DSH methodology.

4. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to completion of any regulatory process in order to effect such changes.

XXX. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to pay rates for Durable Medical Equipment items subject to the Medicare competitive bidding program equal to the lower of the current DMERC minus 10 percent or the average of the Medicare competitive bid rates in Virginia markets. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to completion of any regulatory process in order to effect such changes.

YYY. The Department of Medical Assistance Services shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any waivers thereof, to implement requirements of the federal Patient Protection and Affordable Care Act (PPACA), P.L. 111-148, as it pertains to implementation of Medicaid and CHIP eligibility determination and case management standards and practices, including the Modified Adjusted Gross Income (MAGI) methodology and, notwithstanding the requirements of Code of Virginia §2.2-4000, et seq., the process for administrative appeals of MAGI-related eligibility determinations. The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.

ZZZ. The Department of Medical Assistance Services (DMAS) shall not change the unit of service or rate of reimbursement for Mental Health Skill-Building Services (MHSS) until the 2015 General Assembly has reviewed the impact of the December 1, 2013 emergency regulations that changed the eligibility and service description for Mental Health Skill-Building Services. DMAS and the Department of Behavioral Health and Developmental Services shall jointly prepare a report to be delivered by November 1, 2014 to the Chairmen of the House Appropriations and Senate Finance Committees. The report shall document the impact of the MHSS regulations implemented on December 1, 2013 and shall include an assessment of the fiscal impact, consumer and family impact, service delivery impact, and impact upon other agencies and facilities in Virginia.

AAAA. The Department of Medical Assistance Services shall have the authority to contract with other public and private entities to conduct the required screening process for the Individual and Family Developmental Disabilities Support waiver. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.

BBBB. The Department of Medical Assistance Services shall have authority to amend its regulations, subject to the federal Centers for Medicare and Medicaid Services approval, to strengthen all program requirements and policies of the consumer-directed services programs

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to ensure the health, safety and welfare of Medicaid home- and community-based waiver enrollees. The department shall submit a detailed report on proposed regulatory changes to the consumer-directed services programs and the issues and problems the department is attempting to resolve. The department shall submit the report to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees at least 30 days prior to beginning the regulatory process.

CCCC. Effective July 1, 2014, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to reduce clinical laboratory fees by 12 percent. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to completion of any regulatory process in order to effect such changes.

DDDD.1. There is hereby appropriated sum-sufficient nongeneral funds for the Department of Medical Assistance Services (DMAS) to pay the state share of supplemental payments for qualifying private hospital partners of Type One hospitals (consisting of state-owned teaching hospitals) as provided in the State Plan for Medical Assistance Services. Qualifying private hospitals shall consist of any hospital currently enrolled as a Virginia Medicaid provider and owned or operated by a private entity in which a Type One hospital has a non-majority interest. The supplemental payments shall be based upon the reimbursement methodology established for such payments in Attachments 4.19-A and 4.19-B of the State Plan for Medical Assistance Services. DMAS shall enter into a transfer agreement with any Type One hospital whose private hospital partner qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments to the private hospital partner. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment approved by CMS and prior to completion of any regulatory process in order to effect such changes.

2.a. The Department of Medical Assistance Services shall promulgate regulations to make supplemental payments to Medicaid physician providers with a medical school located in Eastern Virginia that is a political subdivision of the Commonwealth. The amount of the supplemental payment shall be based on the difference between the average commercial rate approved by the Centers for Medicare and Medicaid Services (CMS) and the payments otherwise made to physicians. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment approved by CMS and prior to completion of any regulatory process in order to effect such changes.

b. The department shall increase payments to Medicaid managed care organizations for the purpose of securing access to Medicaid physician services in Eastern Virginia, through higher rates to physicians affiliated with a medical school located in Eastern Virginia that is a political subdivision of the Commonwealth subject to applicable limits. The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments, and provider payment requirements, subject to approval by CMS. No payment shall be made without approval from CMS.

c. Funding for the state share for these Medicaid payments is authorized in Item 243.

3. The Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance Services (State Plan) to implement a supplemental Medicaid payment for local government-owned nursing homes. The total supplemental Medicaid payment for local government-owned nursing homes shall be based on the difference between the Upper Payment Limit of 42 CFR §447.272 as approved by CMS and all other Medicaid payments subject to such limit made to such nursing homes. There is hereby appropriated sum-sufficient funds for DMAS to pay the state share of the supplemental Medicaid payment hereunder. However, DMAS shall not submit such State Plan amendment to CMS until it has entered into an intergovernmental agreement with eligible local government-owned nursing homes or the local government itself which requires them to transfer funds to DMAS for use as the state share for the supplemental Medicaid payment each nursing home is entitled to and to represent that each has the authority to transfer funds to DMAS and that the funds used will comply with

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federal law for use as the state share for the supplemental Medicaid payment. If a local government-owned nursing home or the local government itself is unable to comply with the intergovernmental agreement, DMAS shall have the authority to modify the State Plan. The department shall have the authority to implement the reimbursement change consistent with the effective date in the State Plan amendment approved by CMS and prior to the completion of any regulatory process undertaken in order to effect such change.

4. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance Services to implement a supplemental payment for clinic services furnished by the Virginia Department of Health (VDH) effective July 1, 2015. The total supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the Centers for Medicare and Medicaid Services and all other Medicaid payments. VDH is required to transfer funds to the department funds already appropriated to VDH to cover the non-federal share of the Medicaid payments. The department shall have the authority to implement the reimbursement change effective July 1, 2015, and prior to the completion of any regulatory process undertaken in order to effect such changes.

EEEE. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to provide coverage for cessation services for tobacco users, including pharmacology, group and individual counseling, and other treatment services including the most current version of or an official update to the Clinical Health Guideline "Treating Tobacco Use and Dependence" published by the Public Health Service of the U.S. Department of Health and Human Services. These services shall be subject to copayment requirements. The department shall have authority to implement this reimbursement change effective July 1, 2014 and prior to the completion of any regulatory process undertaken in order to effect such changes.

FFFF. The Department of Medical Assistance Services shall have the authority to amend the 1915 (c) home- and community-based Elderly or Consumer-Direction (EDCD) waiver, Individual and Family Developmental Disabilities (DD) Support Waiver, Intellectual Disabilities (ID) waiver and Technology-Assisted (TECH) waiver, and associated regulations, to specify that transition services includes the first month's rent for qualified housing as an allowable cost. The department shall have authority to implement this reimbursement change effective July 1, 2014 and prior to the completion of any regulatory process undertaken in order to effect such changes.

GGGG. The Department of Medical Assistance Services shall have the authority to implement Section 1902(a)(10)(A)(i)(IX) of the federal Social Security Act to provide Medicaid benefits up until the age of 26 to individuals who are or were in foster care at least until the age of 18 in any state.

HHHH. Effective July 1, 2014 the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to provide that the reimbursement floor for the nursing facility FRV "rental rate" shall be 8.0 percent in fiscal year 2015 and fiscal year 2016. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process undertaken in order to effect such changes.

IIII. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to eliminate nursing facility inflation for fiscal year 2016. This shall apply to nursing facility operating rates. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process undertaken in order to effect such changes.

JJJJ. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to eliminate inflation for outpatient rehabilitation agencies and home health agencies for FY 2015 and FY 2016. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to the completion of any regulatory process in order to effect such changes.

KKKK. The Department of Medical Assistance Services shall assess and report on the impact of the requirement that nurses providing private duty nursing services to individuals receiving services through the Technology Assisted Waiver program to have six months of work experience in order to be reimbursed through the Medicaid program. The assessment shall examine access to qualified nurses by individuals eligible for waiver services as well as

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hiring, turnover, and retention of nurses providing private duty nursing services through the waiver. The department shall provide a report on its findings by November 1, 2014, to the Chairmen of the House Appropriations and Senate Finance Committees.

LLLL.1. The Department of Medical Assistance Services shall amend the Medicaid demonstration project (Project Number 11-W-00297/3) to modify eligibility provided through the project to individuals with serious mental illness to be effective July 1, 2015. Income eligibility shall be modified to limit services to seriously mentally ill adults with effective household incomes up to 60 percent of the federal poverty level (FPL). All individuals enrolled in this Medicaid demonstration project with incomes between 61% and 100% of the Federal Poverty Level as of May 15, 2015 who continue to meet other program eligibility rules, shall maintain enrollment in the demonstration until their next eligibility renewal period or July 1, 2016, whichever comes first. Benefits shall include the following services: (i) primary care office visits including diagnostic and treatment services performed in the physician's office, (ii) outpatient specialty care, consultation, and treatment, (iii) outpatient hospital including observation and ambulatory diagnostic procedures, (iv) outpatient laboratory, (v) outpatient pharmacy, (vi) outpatient telemedicine, (vii) medical equipment and supplies for diabetic treatment, (viii) outpatient psychiatric treatment, (ix) mental health case management, (x) psychosocial rehabilitation assessment and psychosocial rehabilitation services, (xi) mental health crisis intervention, (xii) mental health crisis stabilization, (xiii) therapeutic or diagnostic injection, (xiv) behavioral telemedicine, (xv) outpatient substance abuse treatment services, and (xvi) intensive outpatient substance abuse treatment services. Care coordination, Recovery Navigation (peer supports), crisis line and prior authorization for services shall be provided through the agency's Behavioral Health Services Administrator. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.

2. The Department of Medical Assistance Services is authorized to amend the State Plan under Title XIX of the Social Security Act to add coverage for comprehensive dental services to pregnant women receiving services under the Medicaid program to include: (i) diagnostic, (ii) preventive, (iii) restorative, (iv) endodontics, (v) periodontics, (vi) prosthodontics both removable and fixed, (vii) oral surgery, and (viii) adjunctive general services.

3. The Department of Medical Assistance Services is authorized to amend the FAMIS MOMS and FAMIS Select demonstration waiver (No. 21-W-00058/3) for FAMIS MOMS enrollees to add coverage for dental services to align with pregnant women's coverage under Medicaid.

4. The Department of Medical Assistance Services is authorized to amend the State Plan under Title XXI of the Social Security Act to plan to allow enrollment for dependent children of state employees who are otherwise eligible for coverage.

5. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.

MMMM. Out of this appropriation, $8,179,904 from the general fund and $8,179,904 from nongeneral funds the second year shall be used to increase rates by two percent for congregate residential services (except sponsored placement), 5.5 percent for in-home residential services, two percent for day support services and prevocational services, 10 percent for therapeutic consultation services, 15.7 percent for skilled nursing services in the Intellectual Disability and IFDDS waivers and six percent for EPSDT nursing to be equal to the private duty nursing rates in the Technology Assisted Waiver effective July 1, 2015.

2. The Department of Medical Assistance Services, in collaboration with the Department of Behavioral Health and Developmental Services, shall report on plans to redesign the Medicaid comprehensive Intellectual and Developmental Disability waivers prior to the submission of a request to the Centers for Medicare and Medicaid Services to amend the waivers. In developing the report, the departments shall include plans for the list of services to be included in each waiver; service limitations, provider qualifications, and proposed licensing regulatory changes; and proposed changes to the rate structure for

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services and the cost to implement such changes. In addition, the Department of Medical Assistance Services, in collaboration with the Department of Behavioral Health and Developmental Services, shall report on how the individuals currently served in the existing waivers and those expected to transition to the community will be served in the redesigned waivers based on their expected level of need for services. The departments shall complete their work and submit the report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2015.

NNNN. The Department of Medical Assistance Services shall increase the rates for agency and consumer-directed personal and respite care services by two percent, effective July 1, 2015.

OOOO. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services to eliminate the requirement for pending, reviewing and reducing fees for emergency room claims for 99283 codes. The department shall have the authority to implement this reimbursement change effective July 1, 2015, and prior to the completion of any regulatory process undertaken in order to effect such change.

PPPP. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the supplemental physician payments for practice plans affiliated with a freestanding children's hospital with more than 50 percent Medicaid inpatient utilization in fiscal year 2009 to the maximum allowed by the Centers for Medicare and Medicaid Services. The department shall have the authority to implement these reimbursement changes effective July 1, 2015, and prior to completion of any regulatory process undertaken in order to effect such change.

QQQQ.1. Notwithstanding § 32.1-330 of the Code of Virginia, the Department of Medical Assistance Services shall improve the preadmission screening process for individuals who will be eligible for long-term care services, as defined in the state plan for medical assistance. The community-based screening team shall consist of a licensed health care professional and a social worker who are employees or contractors of the Department of Health or the local department of social services, or other assessors contracted by the department. The department shall not contract with any entity for whom there exists a conflict of interest. For community-based screening for children, the screening shall be performed by an individual or entity with whom the department has entered into a contract for the performance of such screenings.

2. The department shall track and monitor all requests for screenings and report on those screenings that have not been completed within 30 days of an individual's request for screening. The screening teams and contracted entities shall use the reimbursement and tracking mechanisms established by the department.

3. The department shall report on the progress of meeting the requirements for completion of preadmission screenings within 30 days of an individual's request for screening, the implementation of the contract for screening children, and make recommendations for changes to improve the process to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2015.

4. The Department of Medical Assistance Services shall promulgate regulations to implement these provisions to be effective within 280 days of its enactment. The department may implement any changes necessary to implement these provisions prior to the promulgation of regulations undertaken in order to effect such changes.

RRRR.1. The Department of Medical Assistance Services (DMAS) shall provide quarterly reports beginning on July 1, 2015, to the Chairmen of the House Appropriations and Senate Finance Committees on the implementation of the Commonwealth Coordinated Care program, including information on program enrollment, the ability of Medicare and Medicaid Managed Care Plans to ensure a robust provider network, resolution of provider concerns regarding the cost and technical difficulties in participating in the program, quality of care, and progress in resolving issues related to federal Medicare requirements which impede the efficient and effective delivery of care.

2. The Department of Medical Assistance Services (DMAS) shall require providers to use a National Provider Identifier number, effective July 1, 2015, in order to participate in the

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Commonwealth Coordinated Care program.				
SSSS. The Department of Medical Assistance Services (DMAS) shall amend its July 1, 2016, managed care contracts in order to conform to the requirement pursuant to House Bill 1942 / Senate Bill 1262, passed during the 2015 Regular Session, for prior authorization of drug benefits. The Department shall report the necessary amendments to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2015.				
TTTT. Notwithstanding 12VAC30-120-1600 et seq., a resident of a "safe, secure environment" as defined in 22VAC40-72-10 shall be deemed to have met the requirements of 12VAC30-120-1610 B for the purposes of the Alzheimer's Assisted Living Waiver.				
302. Not set out.				
303. Medical Assistance Services for Low Income Children (46600)			$132,223,833	~~$136,969,363~~ *$129,189,052*
Reimbursements for Medical Services Provided to Low-Income Children (46601)	$132,223,833	~~$136,969,363~~ *$129,189,052*		
Fund Sources: General	$46,278,049	~~$24,312,062~~ *$22,931,057*		
Federal Trust	$85,945,784	~~$112,657,301~~ *$106,257,995*		
Authority: Title 32.1, Chapters 9, 10 and 13, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code.				
To the extent that appropriations in this Item are insufficient, the Director, Department of Planning and Budget shall transfer general fund appropriation from Items 300 and 301, if available, into this Item, to be used as state match for federal Title XXI funds.				
304. Administrative and Support Services (49900)			$143,769,927	~~$160,659,411~~ *$166,656,557*
General Management and Direction (49901)	$126,518,315	~~$143,045,034~~ *$148,867,180*		
Information Technology Services (49902)	$14,532,855	$14,895,620		
Administrative Support for the Family Access to Medical Insurance Security Plan (49932)	$2,718,757	~~$2,718,757~~ *$2,893,757*		
Fund Sources: General	$49,524,364	~~$53,475,433~~ *$55,752,006*		
Special	$1,565,000	$1,565,000		
Federal Trust	$92,680,563	~~$105,618,978~~ *$109,339,551*		
Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code.				
A. By November 15 of each year, the Department of Planning and Budget, in cooperation with the Department of Medical Assistance Services, shall prepare and submit a forecast of Medicaid expenditures, upon which the Governor's budget recommendations will be based, for the current and subsequent two years to the Chairmen of the House Appropriations and Senate Finance Committees.				
B. The Department of Medical Assistance Services shall submit expenditure reports of the Medicaid program to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees. These reports shall be submitted on a quarterly basis.				
C. Out of this appropriation, $50,000 the first year and $50,000 the second year from the special fund is appropriated to the Department of Medical Assistance Services for the administration of the disbursement of civil money penalties levied against and collected				

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from Medicaid nursing facilities for violations of rules identified during survey and certification as required by federal law and regulation. Based on the nature and seriousness of the deficiency, the Agency or the Centers for Medicare and Medicaid Services may impose a civil money penalty, consistent with the severity of the violations, for the number of days a facility is not in substantial compliance with the facility's Medicaid participation agreement. Civil money penalties collected by the Commonwealth must be applied to the protection of the health or property of residents of nursing facilities found to be deficient. Penalties collected are to be used for (1) the payment of costs incurred by the Commonwealth for relocating residents to other facilities; (2) payment of costs incurred by the Commonwealth related to operation of the facility pending correction of the deficiency or closure of the facility; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of actions by the facility or individuals used by the facility to provide services to residents. These funds are to be administered in accordance with the revised federal regulations and law, 42 CFR 488.400 and the Social Security Act § 1919(h), for Enforcement of Compliance for Long-Term Care Facilities with Deficiencies. Any special fund revenue received for this purpose, but unexpended at the end of the fiscal year, shall remain in the fund for use in accordance with this provision.

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

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

F. The Department of Planning and Budget, is authorized to transfer amounts, as needed, from Medicaid Program Services (45600), Medical Assistance Services for Low Income Children (46600) and Children's Health Insurance Program Delivery (44600), to Administrative and Support Services (49900), to fund administrative expenditures associated with contracts between the department and companies providing dental benefit services, consumer-directed payroll services, claims processing, behavioral health management services and disease state / chronic care programs for Medicaid and FAMIS recipients.

G. The Department of Medical Assistance Services shall, to the extent possible, require web-based electronic submission of provider enrollment applications, revalidations and other related documents necessary for participation in the fee-for-service program under the State Plans for Title XIX and XXI of the Social Security Act.

H. The Department of Medical Assistance Services shall report on efforts to ensure validation of meaningful and reliable encounter data for the purposes of rate setting, program monitoring, providing data to policy makers and the general public, and detection of fraud, waste and abuse. The department shall submit the report to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2015.

I. The Department of Medical Assistance Services shall report on the operations and costs of the Medicaid call center (also known as the Cover Virginia Call Center). This report shall include number of calls received on a monthly basis, the purpose of the call, the number of applications for Medicaid submitted through the call center, and the costs of the contract. The department shall submit the report for FY 2015 by August 15, 2015, and for FY 2016 by August 15, 2016. The report shall be submitted to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees.

J.1. Out of the this appropriation, $150,000 the first year and $150,000 the second year from the general fund and $150,000 the first year and $150,000 the second year from nongeneral funds shall be provided for Medicaid's share of the costs of participating in the Commonwealth's Health Information Exchange (ConnectVirginia).This appropriation is

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contingent on approval by the federal Centers for Medicare and Medicaid Services of federal financial participation for these costs.

2. Out of this appropriation $100,000 the first year and $100,000 the second year from the general fund and $900,000 the first year and $900,000 the second year from nongeneral funds shall be provided to assist in the costs of onboarding Medicaid providers to the Commonwealth's Health Information Exchange (ConnectVirginia).

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

L. The Department of Medical Assistance Services shall report on the implementation of provisions in Chapter 196, 2014 Acts of Assembly, which authorizes the agency to provide payments or transfers to the Virginia Retirement System's deferred compensation plan for dentist or oral and maxillofacial surgeons who are independent contractors that provide services for the Medicaid program. The department shall provide a report to the Chairmen of the House Appropriations and Senate Finance Committees by July 1, 2015.

M. Out of this appropriation, $3,283,004 the second year from the general fund and $9,839,000 the second year from nongeneral funds is provided for the enhanced operation of the Cover Virginia Call Center as a centralized eligibility processing unit (CPU) that shall be limited to processing Medicaid applications received from the Federally Facilitated Marketplace, telephonic applications through the call center, or electronically submitted Medicaid-only applications. The enhancement to the Cover Virginia Call Center contract to operate as a CPU is limited to fiscal year 2016. The department shall report the number of applications processed on a monthly basis and payments made to the contractor to the Director, Department of Planning and Budget and the Chairman of the House Appropriations and Senate Finance Committees. The report shall be submitted no later than 30 days after the end of each quarter of the fiscal year.

Total for Department of Medical Assistance Services			**$8,633,799,062**	**~~$9,036,684,655~~** ***$9,340,422,927***
General Fund Positions	210.37	225.02		
Nongeneral Fund Positions	216.63	234.98		
Position Level	427.00	460.00		
Fund Sources: General	$3,846,847,641	~~$4,099,194,548~~ *$4,266,731,052*		
Special	$1,565,000	$1,565,000		
Dedicated Special Revenue	$444,354,054	$360,954,259		
Federal Trust	$4,341,032,367	~~$4,574,970,848~~ *$4,711,172,616*		

§ 1-20. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720)

305. Not set out.

306. Not set out.

307. Administrative and Support Services (49900)			$71,784,395	~~$75,885,382~~ *$76,285,382*
General Management and Direction (49901)	$11,793,663	$11,731,065		
Information Technology Services (49902)	$27,836,043	$27,282,597		
Architectural and Engineering Services (49904)	$2,508,805	$2,508,805		
Collection and Locator Services (49905)	$2,739,740	$2,739,740		
Human Resources Services (49914)	$1,768,261	$1,768,261		
Planning and Evaluation Services (49916)	$369,062	$369,062		
Program Development and Coordination (49933)	$24,768,821	~~$29,485,852~~ *$29,885,852*		
Fund Sources: General	$44,268,192	~~$47,736,305~~ *$48,136,305*		

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Special	$16,653,770	$15,756,506		
Federal Trust	$10,862,433	$12,392,571		

Authority: Title 16.1, Article 18, and Title 37.2, Chapters 2, 3, 4, 5, 6 and 7, and Title 2.2, Chapters 26 and 53 Code of Virginia; P.L. 102-119, Federal Code.

A. The Commissioner, Department of Behavioral Health and Developmental Services shall, at the beginning of each fiscal year, establish the current capacity for each facility within the system. When a facility becomes full, the commissioner or his designee shall give notice of the fact to all sheriffs.

B. The Commissioner, Department of Behavioral Health and Developmental Services shall work in conjunction with community services boards to develop and implement a graduated plan for the discharge of eligible facility clients to the greatest extent possible, utilizing savings generated from statewide gains in system efficiencies.

C. Notwithstanding § 4-5.09 of this act and paragraph C of § 2.2-1156, Code of Virginia, the Department of Behavioral Health and Developmental Services is hereby authorized to deposit the entire proceeds of the sales of surplus land at state-owned behavioral health and intellectual disability facilities into a revolving trust fund. The trust fund may initially be used for expenses associated with restructuring such facilities. Remaining proceeds after such expenses shall be dedicated to continuing services for current patients as facility services are restructured. The trust fund will receive any savings resulting from facility restructuring. Thereafter, the fund will be used to enhance services to individuals with mental illness, intellectual disability and substance abuse problems.

D. The Department of Behavioral Health and Developmental Services shall identify and create opportunities for public-private partnerships and develop the incentives necessary to establish and maintain an adequate supply of acute-care psychiatric beds for children and adolescents.

E. The Department of Behavioral Health and Developmental Services, in cooperation with the Department of Juvenile Justice, where appropriate, shall identify and create opportunities for public-private partnerships and develop the incentives necessary to establish and maintain an adequate supply of residential beds for the treatment of juveniles with behavioral health treatment needs, including those who are mentally retarded, aggressive, or sex offenders, and those juveniles who need short-term crisis stabilization but not psychiatric hospitalization.

F. Out of this appropriation, $656,538 the first year and $656,538 the second year from the general fund shall be provided for placement and restoration services for juveniles found to be incompetent to stand trial pursuant to Title 16.1, Chapter 11, Article 18, Code of Virginia.

G. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be used to pay for legal and medical examinations needed for individuals living in the community and in need of guardianship services.

H. Out of this appropriation, $2,059,930 the first year and $2,419,930 the second year from the general fund shall be provided for services for the civil commitment of sexually violent predators including the following: (i) clinical evaluations and court testimony for sexually violent predators who are being considered for release from state correctional facilities and who will be referred to the Clinical Review Committee for psycho-sexual evaluations prior to the state seeking civil commitment, (ii) conditional release services, including treatment, and (iii) costs associated with contracting with a Global Positioning System service to closely monitor the movements of individuals who are civilly committed to the sexually violent predator program but conditionally released.

I. Out of this appropriation, $136,715 the first year and $146,871 the second year from the general fund shall be used to operate a real-time reporting system for public and private acute psychiatric beds in the Commonwealth.

J. The Department of Behavioral Health and Developmental Services shall submit a report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than December 1 of each year for the preceding fiscal year that provides information on the operation of Virginia's publicly-funded behavioral health and developmental services system. The report shall include a brief narrative and data on the numbers of individuals

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receiving state facility services or CSB services, including purchased inpatient psychiatric services, the types and amounts of services received by these individuals, and CSB and state facility service capacities, staffing, revenues, and expenditures. The annual report also shall describe major new initiatives implemented during the past year and shall provide information on the accomplishment of systemic outcome and performance measures during the year.

K. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be used for a comprehensive statewide suicide prevention program. The Commissioner of the Department of Behavioral Health and Developmental Services (DBHDS), in collaboration with the Departments of Health, Education, Veterans Services, Aging and Rehabilitative Services, and other partners shall develop and implement a statewide program of public education, evidence-based training, health and behavioral health provider capacity-building, and related suicide prevention activity.

L.1. Beginning October 1, 2013, the Commissioner of the Department of Behavioral Health and Developmental Services shall provide quarterly reports to the House Appropriations and Senate Finance Committees on progress in implementing the plan to close state training centers and transition residents to the community. The reports shall provide the following information on each state training center: (i) the number of authorized representatives who have made decisions regarding the long-term type of placement for the resident they represent and the type of placement they have chosen; (ii) the number of authorized representatives who have not yet made such decisions; (iii) barriers to discharge; (iv) the general fund and nongeneral fund cost of the services provided to individuals transitioning from training centers; and (v) the use of increased Medicaid reimbursement for congregate residential services to meet exceptional needs of individuals transitioning from state training centers.

2. At least six months prior to the closure of a state intellectual disabilities training center, the Commissioner of Behavioral Health and Developmental Services shall complete a comprehensive survey of each individual residing in the facility slated for closure to determine the services and supports the individual will need to receive appropriate care in the community. The survey shall also determine the adequacy of the community to provide care and treatment for the individual, including but not limited to, the appropriateness of current provider rates, adequacy of waiver services, and availability of housing. The Commissioner shall report quarterly findings to the Governor and Chairmen of the House Appropriations and Senate Finance Committees.

3. The department shall convene quarterly meetings with authorized representatives, families, and service providers in Health Planning Regions I, II, III and IV to provide a mechanism to (i) promote routine collaboration between families and authorized representatives, the department, community services boards, and private providers; (ii) ensure the successful transition of training center residents to the community; and (iii) gather input on Medicaid waiver redesign to better serve individuals with intellectual and developmental disability. ~~In its Medicaid waiver redesign, the department shall include as stakeholders and eligible participants, individuals with acquired brain injury regardless of age in which the injury was sustained, who have serious physical, cognitive, and/or behavioral health issues who are at risk for institutionalization or who are institutionalized but could live in the community with adequate supports.~~

4. In the event that provider capacity cannot meet the needs of individuals transitioning from training centers to the community, the department shall work with community services boards and private providers to explore the feasibility of developing (i) a limited number of small community group homes or intermediate care facilities to meet the needs of residents transitioning to the community, and/or (ii) a regional support center to provide specialty services to individuals with intellectual and developmental disabilities whose medical, dental, rehabilitative or other special needs cannot be met by community providers. The Commissioner shall report on these efforts to the House Appropriations and Senate Finance Committees as part of the quarterly report, pursuant to paragraph L.1.

M. The State Comptroller shall provide the Department of Behavioral Health and Developmental Services an interest-free anticipation loan not to exceed $3,100,000 to serve as an advance stream of funds in anticipation of Medicare Meaningful Use funds

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related to successful implementation of the Electronic Health Records project at state-operated behavioral health and intellectual disability facilities. The loan will be repaid no later than June 30, 2015.

N.1. A joint subcommittee of the House Appropriations and Senate Finance Committees, in collaboration with the Secretary of Health and Human Resources and the Department of Behavioral Health and Developmental Services, shall continue to monitor and review the closure plans for the three remaining training centers scheduled to close by 2020. As part of this review process the joint subcommittee may evaluate options for those individuals in training centers with the most intensive medical and behavioral needs to determine the appropriate types of facility or residential settings necessary to ensure the care and safety of those residents is appropriately factored into the overall plan to transition to a more community-based system. In addition, the joint subcommittee may review the plans for the redesign of the Intellectual Disability, Developmental Disability and Day Support Waivers.

2. To assist the joint subcommittee, the Department of Behavioral Health and Developmental Services shall provide a quarterly accounting of the costs to operate and maintain each of the existing training centers at a level of detail as determined by the joint subcommittee. The quarterly reports shall be submitted to the joint subcommittee 20 days after the close of each quarter with the first report due October 20, 2015 and every three months thereafter.

O. The Department of Behavioral Health and Developmental Services in collaboration with the Department of Medical Assistance Services shall provide a detailed report for each fiscal year on the budget, expenditures, and number of recipients for each specific intellectual disability (ID) and developmental disability (DD) service provided through the Medicaid program or other programs in the Department of Behavioral Health and Developmental Services. This report shall also include the overall budget and expenditures for the ID, DD and Day Support waivers separately. The Department of Medical Assistance Services shall provide the necessary information to the Department of Behavioral Health and Developmental Services 90 days after the end of each fiscal year. This information shall be published on the Department of Behavioral Health and Developmental Services' website within 120 days after the end of each fiscal year.

P. The Department of Behavioral Health and Developmental Services shall report on the number of individuals with acquired brain injury exhibiting behavioral/mental health problems requiring services in state mental health facilities and/or community services boards to the House Appropriations and Senate Finance Committees by October 1 of each year. The report shall provide, to the extent possible, the following information: (i) the general fund and nongeneral fund cost of the services provided to individuals; and (ii) the types and amounts of services received by these individuals.

Q. Effective July 1, 2015, the Department of Behavioral Health and Developmental Services shall not charge any fee to Community Services Boards or private providers for use of the knowledge center, an on-line training system.

R. The Department of Behavioral Health and Developmental Services shall undertake a review of Piedmont Geriatric and Catawba Hospitals. This review shall evaluate the operational, maintenance and capital costs of these hospitals, and study alternate options of care, especially geriatric psychiatric care for patients residing in these hospitals. The department shall develop recommendations and report to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2015.

S. The Department of Behavioral Health and Developmental Services in collaboration with the Community Services Boards shall compile and report all available information regarding the services and support needs of the individuals on waiting lists for Intellectual and Developmental Disability (I/DD) waiver services, including an estimate of the number of graduates with I/DD who are exiting secondary education each fiscal year. The department shall submit a report to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2015.

T. 1. Out of this appropriation, ~~$400,000~~*$800,000* the second year from the general fund is included to provide compensation to individuals who were involuntarily sterilized pursuant to the Virginia Eugenical Sterilization Act and who were living as of February 1, 2015. *Any funds that are appropriated but remain unspent at the end of the fiscal year shall be carried*

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forward into the subsequent fiscal year in order to provide compensation to individuals who qualify for compensation.

2. A claim may be submitted on behalf of an individual by a person lawfully authorized to act on the individual's behalf. A claim may be submitted by the estate of or personal representative of, an individual who dies on or after February 1, 2015.

3. Reimbursement shall be contingent on the individual or their representative providing appropriate documentation and information to verify the claim under guidelines established by the department.

4. Reimbursement per verified claim shall be $25,000 and shall be contingent on funding being available, with disbursements being prioritized based on the date at which sufficient documentation is provided.

5. Should the funding provided for compensation be exhausted prior to the end of fiscal year 2016, the department shall continue to collect applications. The department shall provide a report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees on a quarterly basis on the number of additional individuals who have been applied.

6. The Department of Medical Assistance Services shall seek federal authority to ensure that funds received through this act shall not be counted in determination of Medicaid eligibility.

7. In order for the Department of Behavioral Health and Developmental Services, and the Department of Medical Assistance Services to implement the provisions of this act, both departments shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this act.

Total for Department of Behavioral Health and Developmental Services			**$74,176,098**	~~**$78,277,085**~~ ***$78,677,085***
General Fund Positions	224.85	225.85		
Nongeneral Fund Positions	13.40	13.40		
Position Level	238.25	239.25		
Fund Sources: General	$46,609,895	~~$50,078,008~~ *$50,478,008*		
Special	$16,703,770	$15,806,506		
Federal Trust	$10,862,433	$12,392,571		

Grants to Localities (790)

308.	Financial Assistance for Health Services (44500)			$349,012,156	~~$378,756,136~~ *$380,465,193*
	Community Substance Abuse Services (44501)	$96,277,019	$96,277,019		
	Community Mental Health Services (44506)	$204,606,666	$222,621,646		
	Community Developmental Disability Services (44507)	$48,128,471	~~$59,857,471~~ *$61,566,528*		
	Fund Sources: General	$287,332,709	~~$317,076,689~~ *$318,035,746*		
	Dedicated Special Revenue	*$0*	*$750,000*		
	Federal Trust	$61,679,447	$61,679,447		

Authority: Title 37.2, Chapters 5 and 6; Title 2.2, Chapter 53, Code of Virginia.

A. It is the intent of the General Assembly that community mental health, intellectual disability and substance abuse services are to be improved throughout the state. Funds provided in this Item shall not be used to supplant the funding effort provided by localities for services existing as of June 30, 1996.

B. Further, it is the intent of the General Assembly that funds appropriated for this Item

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may be used by Community Services Boards to purchase, develop, lease, or otherwise obtain, in accordance with §§ 37.2-504 and 37.2-605, Code of Virginia, real property necessary to the provision of residential services funded by this Item.

C. Out of the appropriation for this Item, funds are provided to Community Services Boards in an amount sufficient to reimburse the Virginia Housing Development Authority for principal and interest payments on residential projects for the mentally disabled financed by the Housing Authority.

D. The Department of Behavioral Health and Developmental Services shall make payments to the Community Services Boards from this Item in twenty-four equal semimonthly installments, except for necessary budget revisions or the operational phase-in of new programs.

E. Failure of a board to participate in Medicaid covered services and to meet all requirements for provider participation shall result in the termination of a like amount of state grant support.

F. Community Services Boards may establish a line of credit loan for up to three months' operating expenses to assure adequate cash flow.

G. Out of this appropriation $190,000 the first year and $190,000 the second year from the general fund shall be provided to Virginia Commonwealth University for the continued operation and expansion of the Virginia Autism Resource Center.

H.1. Out of this appropriation, $13,203,366 the first year and $13,808,366 the second year from the general fund shall be provided for Virginia's Part C Early Intervention System for infants and toddlers with disabilities.

2. By November 15 of each year, the department shall report to the Chairmen of the House Appropriations and Senate Finance Committees on the (a) total revenues used to support Part C services, (b) total expenses for all Part C services, (c) total number of infants, toddlers and families served using all Part C revenues, and (d) services provided to those infants, toddlers, and families.

I. Out of this appropriation $6,148,128 the first year and $6,148,128 the second year from the general fund shall be provided for mental health services for children and adolescents with serious emotional disturbances and related disorders, with priority placed on those children who, absent services, are at-risk for custody relinquishment, as determined by the Family and Assessment Planning Team of the locality. The Department of Behavioral Health and Developmental Services shall provide these funds to Community Services Boards through the annual Performance Contract. These funds shall be used exclusively for children and adolescents, not mandated for services under the Comprehensive Services Act for At-Risk Youth, who are identified and assessed through the Family and Assessment Planning Teams and approved by the Community Policy and Management Teams of the localities. The department shall provide these funds to the Community Services Boards based on an individualized plan of care methodology.

J. The Commissioner, Department of Behavioral Health and Developmental Services shall allocate $1,000,000 the first year and $1,000,000 the second year from the federal Community Mental Health Services Block Grant for two specialized geriatric mental health services programs. One program shall be located in Health Planning Region II and one shall be located in Health Planning Region V. The programs shall serve elderly populations with mental illness who are transitioning from state mental health geriatric units to the community or who are at risk of admission to state mental health geriatric units. The commissioner is authorized to reduce the allocation in each year in an amount proportionate to any reduction in the federal Community Mental Health Services Block Grant funds awarded to the Commonwealth.

K. The Commissioner, Department of Behavioral Health and Developmental Services shall allocate $750,000 the first year and $750,000 the second year from the federal Community Mental Health Services Block Grant for consumer-directed programs offering specialized mental health services that promote wellness, recovery and improved self-management. The commissioner is authorized to reduce the allocation in each year in an amount proportionate

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to any reduction in the federal Community Mental Health Services Block Grant funds awarded to the Commonwealth.

L. Out of this appropriation, $2,197,050 the first year and $2,197,050 the second year from the general fund shall be used for jail diversion and reentry services. Funds shall be distributed to community-based contractors based on need and community preparedness as determined by the commissioner.

M. Out of this appropriation, $2,400,000 the first year and $2,400,000 the second year from the general fund shall be used for treatment and support services for substance use disorders, including individuals with acquired brain injury and co-occurring substance use disorders. Funded services shall focus on recovery models and the use of best practices.

N. Out of this appropriation, $2,780,645 the first year and $2,780,645 the second year from the general fund shall be used to provide outpatient clinician services to children with mental health needs. Each Community Services Board shall receive funding as determined by the commissioner to increase the availability of specialized mental health services for children. The department shall require that each Community Services Board receiving these funds agree to cooperate with Court Service Units in their catchment areas to provide services to mandated and nonmandated children, in their communities, who have been brought before Juvenile and Domestic Relations Courts and for whom treatment services are needed to reduce the risk these children pose to themselves and their communities or who have been referred for services through family assessment and planning teams through the Comprehensive Services Act for At-Risk Youth and Families.

O. Out of this appropriation, $17,701,997 the first year and $17,701,997 the second year from the general fund shall be used to provide emergency services, crisis stabilization services, case management, and inpatient and outpatient mental health services for individuals who are in need of emergency mental health services or who meet the criteria for mental health treatment set forth pursuant to House Bill 559 and Senate Bill 246, 2008 Session of the General Assembly. Funding provided in this item also shall be used to offset the fiscal impact of (i) establishing and providing mandatory outpatient treatment, pursuant to House Bill 499 and Senate Bill 246, 2008 Session of the General Assembly; and (ii) attendance at involuntary commitment hearings by community services board staff who have completed the prescreening report, pursuant to House Bill 560 and Senate Bill 246, 2008 Session of the General Assembly.

P. Out of this appropriation, $8,800,000 the first year and $8,800,000 the second year from the general fund shall be used to provide community crisis intervention services in each region for individuals with intellectual or developmental disabilities and co-occurring mental health or behavioral disorders.

Q. Out of this appropriation, $1,900,000 the first year and $1,900,000 the second year from the general fund shall be used to expand community-based services in Health Planning Region V. These funds shall be used for services intended to delay or deter placement, or provide discharge assistance for patients in a state mental health facility.

R. Out of this appropriation, $2,000,000 the first year and $2,000,000 the second year from the general fund shall be used to expand crisis stabilization and related services statewide intended to delay or deter placement in a state mental health facility.

S. Out of this appropriation, $4,150,000 the first year and $6,650,000 the second year from the general fund shall be used to provide child psychiatry and children's crisis response services for children with mental health and behavioral disorders. These funds, divided among the health planning regions based on the current availability of the services, shall be used to hire or contract with child psychiatrists who can provide direct clinical services, including crisis response services, as well as training and consultation with other children's health care providers in the health planning region such as general practitioners, pediatricians, nurse practitioners, and community service boards staff, to increase their expertise in the prevention, diagnosis, and treatment of children with mental health disorders. Funds may also be used to create new or enhance existing community-based crisis response services in a health planning region, including mobile crisis teams and crisis stabilization services, with the goal of diverting children from inpatient psychiatric hospitalization to less restrictive services in or near their communities. The

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Department of Behavioral Health and Developmental Services shall report on the use and impact of this funding to the Chairmen of the House Appropriations and Senate Finance Committees beginning on October 1, 2014 and each year thereafter.

T. Out of this appropriation, $3,300,000 the first year and $10,500,000 the second year from the general fund shall be used for up to 32 drop-off centers to provide an alternative to incarceration for people with serious mental illness and individuals with acquired brain injury and co-occurring serious mental health illness. Priority for new funding shall be given to programs that have implemented Crisis Intervention Teams pursuant to § 9.1-102 and § 9.1-187 et seq. of the Code of Virginia and have undergone planning to implement drop-off centers.

U. Out of this appropriation, $1,250,000 the first year and $1,250,000 the second year from the general fund shall be used to develop and implement crisis services for children with intellectual or developmental disabilities.

V. Out of this appropriation, $1,750,000 the first year and $2,000,000 the second year from the general fund shall be used to provide community-based services to individuals residing in state hospitals who have been determined clinically ready for discharge.

W. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund shall be used to provide mental health first aid training and certification to recognize and respond to mental or emotional distress. Funding shall be used to cover the cost of personnel dedicated to this activity, training and certification, and manuals and certification for all those receiving the training.

X. Out of this appropriation, $1,132,620 the first year and $620,000 the second year from the general fund shall be used to expand access to telepsychiatry services.

Y. Out of this appropriation, $950,000 the first year and $6,800,000 the second year from the general fund shall be used to implement seven new Programs of Assertive Community Treatment (PACT).

Z. Out of this appropriation, $3,500,000 the first year and $4,000,000 the second year from the general fund shall be used to increase availability of community-based mental health outpatient services for youth and young adults.

AA. Out of this appropriation, $2,750,000 the first year from the general fund shall be used for the provision of services for individuals transitioning out of Northern Virginia Training Center into community settings.

BB. Out of this appropriation, $250,000 the first year and $500,000 the second year from the general fund shall be used to increase mental health inpatient treatment purchased in community hospitals. Priority shall be given to regions that exhaust available resources before the end of the year in order to ensure treatment is provided in the community and do not result in more restrictive placements.

CC. Out of this appropriation, $2,127,600 the second year from the general fund is provided for permanent supportive housing to support rental subsidies and services to be administered by community services boards or private entities to provide stable, supportive housing for persons with serious mental illness.

DD. Out of this appropriation, $250,000 the second year from the general fund is provided to contract with the ARC of Greater Prince William for assistance with construction or acquisition of appropriate accessible housing ~~and appropriate~~ *and transportation or other appropriate therapeutic* clinical services to support individuals transitioning out of the Northern Virginia Training Center into the community. This funding is one-time to provide necessary support until the transition to the new redesigned Intellectual and Developmental Disability waivers with more appropriate services and an improved rate structure is complete. The ARC of Greater Prince William shall report on the use of this funding to support needs of individuals transitioning from the Northern Virginia Training Center. The report shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees by ~~September 1, 2015~~ *June 30, 2016.*

EE.1. Out of this appropriation, $750,000 the second year from the Behavioral Health and

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Developmental Services Trust Fund, established pursuant to § 37.2-318 of the Code of Virginia, shall be used for one-time capital and transition costs associated with the development of community-based waiver group homes and/or community-based intermediate care facilities for individuals with intellectual disabilities who are transitioning to community living from Southwestern Virginia Training Center and who choose to remain in Southwest Virginia. The housing options shall be located in Virginia no farther than 100 miles from the Southwestern Virginia Training Center. The Department of Behavioral Health and Developmental Services shall give preference to projects involving existing Virginia Providers to expand service capacity.				
2. Expenditures of any remaining balances in the Behavioral Health and Developmental Services Trust Fund shall be subject to an appropriation included in an appropriation bill passed by the General Assembly.				
3. Any remaining balances in the Behavioral Health and Developmental Services Trust Fund shall be carried forward to the subsequent fiscal year.				
Total for Grants to Localities			**$349,012,156**	**~~$378,756,136~~ *$380,465,193***
Fund Sources: General	$287,332,709	~~$317,076,689~~ *$318,035,746*		
Dedicated Special Revenue	*$0*	*$750,000*		
Federal Trust	$61,679,447	$61,679,447		

Mental Health Treatment Centers (792)

309. Not set out.

310. Not set out.

311. Not set out.

312.	State Health Services (43000)			$213,986,268	~~$211,621,250~~ *$212,139,912*
	Geriatric Care Services (43006)	$41,194,118	~~$45,948,674~~ *$42,034,736*		
	Inpatient Medical Services (43007)	$20,401,600	$9,444,593		
	State Mental Health Facility Services (43014)	$152,390,550	~~$156,227,983~~ *$160,660,583*		
	Fund Sources: General	$152,233,330	~~$161,646,947~~ *$162,165,609*		
	Special	$61,752,938	$49,974,303		

Authority: Title 37.2, Chapters 1 through 11, Code of Virginia.

A. Out of this appropriation, $700,000 the first year and $700,000 the second year from the general fund shall be used to continue operating up to 13 beds at Northern Virginia Mental Health Institute (NVMHI) that had been scheduled for closure in fiscal year 2013. The Commissioner of the Department of Behavioral Health and Developmental Services shall ensure continued operation of at least 123 beds.

B.1. Out of this appropriation, $4,070,663 the first year and $4,070,663 the second year from the general fund shall be used to provide additional inpatient bed capacity at Southwestern Mental Health Institute, Northern Virginia Mental Health Institute, and Hiram Davis Medical Center.

2. Out of this appropriation, $375,000 the first year from the general fund shall be used for capital costs at Hiram Davis Medical Center to ensure sufficient medical capacity is available to serve patients with medical needs when the state becomes the facility of last resort.

313. Not set out.

314. Not set out.

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	Total for Mental Health Treatment Centers			**$341,295,555**	~~**$335,939,416**~~ ***$336,458,078***
	General Fund Positions	4,197.00	4,216.00		
	Nongeneral Fund Positions	665.00	665.00		
	Position Level	4,862.00	4,881.00		
	Fund Sources: General	$250,498,607	~~$259,711,672~~ *$260,230,334*		
	Special	$90,596,948	$76,027,744		
	Federal Trust	$200,000	$200,000		
315.	Not set out.				
316.	Not set out.				
317.	Not set out.				
318.	Not set out.				
319.	Not set out.				
320.	Not set out.				
321.	Not set out.				
322.	Not set out.				
323.	Not set out.				
324.	Not set out.				
	Grand Total for Department of Behavioral Health and Developmental Services			**$1,006,748,428**	~~**$1,051,041,498**~~ ***$1,053,669,217***
	General Fund Positions	6,344.35	6,370.35		
	Nongeneral Fund Positions	1,895.40	1,895.40		
	Position Level	8,239.75	8,265.75		
	Fund Sources: General	$656,398,773	~~$700,024,671~~ *$701,902,390*		
	Special	$277,407,775	$276,544,809		
	Dedicated Special Revenue	*$0*	*$750,000*		
	Federal Trust	$72,941,880	$74,472,018		

§ 1-21. DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES (262)

325.	Not set out.				
326.	Not set out.				
327.	Not set out.				
328.	Not set out.				
329.	Not set out.				
330.	Not set out.				
331.	Not set out.				
	Wilson Workforce and Rehabilitation Center (203)				
332.	Rehabilitation Assistance Services (45400)			$11,689,804	~~$11,331,745~~ *$11,431,745*
	Vocational Rehabilitation Services (45404)	$6,321,639	~~$6,033,145~~ *$6,133,145*		
	Medical Rehabilitative Services (45405)	$5,368,165	$5,298,600		

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	Fund Sources: General	$2,813,508	~~$2,655,449~~ *$2,755,449*		
	Special	$8,576,296	$8,576,296		
	Federal Trust	$300,000	$100,000		
	Authority: Title 51.5, Chapter 3, Code of Virginia; P.L. 89-313, P.L. 93-112, P.L. 94-482 and P.L. 95-602, Federal Code.				
	Out of this appropriation, $100,000 from the general fund the second year shall be provided to establish a Manufacturing Skills Training Program.				
333.	Not set out.				
	Total for Wilson Workforce and Rehabilitation Center			**$24,103,114**	~~**$23,911,641**~~ ***$24,011,641***
	General Fund Positions	58.80	58.80		
	Nongeneral Fund Positions	222.20	222.20		
	Position Level	281.00	281.00		
	Fund Sources: General	$5,132,243	~~$4,940,770~~ *$5,040,770*		
	Special	$18,670,871	$18,670,871		
	Federal Trust	$300,000	$300,000		
	Grand Total for Department for Aging and Rehabilitative Services			**$247,184,397**	~~**$249,794,457**~~ ***$249,894,457***
	General Fund Positions	126.80	126.80		
	Nongeneral Fund Positions	1,192.20	1,192.20		
	Position Level	1,319.00	1,319.00		
	Fund Sources: General	$56,595,122	~~$59,205,182~~ *$59,305,182*		
	Special	$29,896,916	$29,896,916		
	Dedicated Special Revenue	$1,694,918	$1,694,918		
	Federal Trust	$158,997,441	$158,997,441		
	§ 1-22. DEPARTMENT OF SOCIAL SERVICES (765)				
334.	Program Management Services (45100)			$37,069,533	~~$36,943,718~~ *$36,529,530*
	Training and Assistance to Local Staff (45101)	$4,203,926	~~$4,203,926~~ *$4,156,641*		
	Central Administration and Quality Assurance for Benefit Programs (45102)	$12,819,703	~~$12,819,703~~ *$12,544,662*		
	Central Administration and Quality Assurance for Family Services (45103)	$7,647,037	~~$7,521,222~~ *$7,370,916*		
	Central Administration and Quality Assurance for Community Programs (45105)	$8,232,153	~~$8,232,153~~ *$8,270,690*		
	Central Administration and Quality Assurance for Child Care Activities (45107)	$4,166,714	~~$4,166,714~~ *$4,186,621*		
	Fund Sources: General	$15,594,758	~~$15,478,926~~ *$15,044,973*		
	Special	$100,000	$100,000		
	Federal Trust	$21,374,775	~~$21,364,792~~ *$21,384,557*		
	Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 2 and 21, Code of Virginia; Title VI,				

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Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A. The Department of Social Services, in collaboration with the Office of Comprehensive Services, shall provide training to local staff serving on Family Assessment and Planning Teams and Community Policy and Management Teams. Training shall include, but need not be limited to, the federal and state requirements pertaining to the provision of the foster care services funded under § 2.2-5211, Code of Virginia. The training shall also include written guidance concerning which services remain the financial responsibility of the local departments of social services. Training shall be provided on a regional basis at least once per year. Written guidance shall be updated and provided to local Comprehensive Services Act teams whenever there is a change in allowable expenses under federal or state guidelines. In addition, the Department of Social Services shall provide ongoing local oversight of its federal and state requirements related to the provision of services funded under § 2.2-5211, Code of Virginia.

B. By November 1 of each year, the Department of Planning and Budget, in cooperation with the Department of Social Services, shall prepare and submit a forecast of expenditures for cash assistance provided through the Temporary Assistance for Needy Families (TANF) program, mandatory child day care services under TANF, foster care maintenance and adoption subsidy payments, upon which the Governor's budget recommendations will be based, for the current and subsequent two years to the Chairmen of the House Appropriations and Senate Finance Committees.

C. The Department of Social Services shall provide administrative support and technical assistance to the Family and Children's Trust Fund (FACT) Board of Trustees established in Sections 63.2-2100 through 63.2-2103, Code of Virginia.

D. Out of this appropriation, $1,829,111 the first year and $1,829,111 the second year from the general fund and $1,829,111 the first year and $1,829,111 the second year from nongeneral funds shall be provided to fund the Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) contract cost.

E. The Department of Social Services may revise the current schedule for the issuance of federal Supplemental Nutrition Assistance Program (SNAP) benefits over a two-month conversion period while minimizing the impact on current recipients, provided that no general fund dollars are required to implement the conversion. If the department determines that there are any general fund costs required to implement the conversion, the department may revise the current schedule for the issuance of federal Supplemental Nutrition Assistance Program (SNAP) benefits for new enrollees only. The department may spread out the issuance of SNAP benefits over nine calendar days with payments occurring on the first, fourth, seventh, and ninth day of the month.

F.1. Out of this appropriation, ten positions and the associated funding shall be dedicated to providing on-going financial oversight of foster care services. Each of the ten positions, with two working out of each regional office, shall assess and review all foster care spending to ensure that state and federal standards are met. None of these positions shall be used for quality, information technology, or clerical functions.

2. By September 1 of each year, the department shall report to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget regarding the foster care program's statewide spending, error rates and compliance with state and federal reviews.

G. Out of this appropriation, $100,000 the first year from the general fund shall be used to contract with a private entity, with expertise in government systems, finance, and child welfare services, to develop a plan for implementing the provisions of the federal Foster Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351; P.L. 111-148). This plan shall 1) include a six year projection of the fiscal impact associated with the Department of Social Services (DSS), the Comprehensive Services Act, and local departments of social services; 2) review of all necessary statutory, regulatory and administrative changes that are required by the federal law; 3) include a draft of any necessary legislative and regulatory changes; 4) include a draft of any necessary amendments to the Title IV-E state plan; 5) outline the impact on other child welfare services; and 6) assess any impact on

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children and families. The final implementation plan must be approved by the Commissioner, DSS and Director, Office of Comprehensive Services. By October 15, 2014, DSS shall provide this plan to the Governor, Chairmen of the House Appropriations and Senate Finance Committees, Secretary of Health and Human Resources, and the Director, Department of Planning and Budget.

335.	Financial Assistance for Self-Sufficiency Programs and Services (45200)			$254,884,230	~~$260,952,028~~ *$268,490,853*
	Temporary Assistance for Needy Families (TANF) Cash Assistance (45201)	$85,937,952	~~$86,294,138~~ *$82,268,689*		
	Temporary Assistance for Needy Families (TANF) Employment Services (45212)	$19,657,832	$19,657,832		
	Supplemental Nutrition Assistance Program Employment and Training (SNAPET) Services (45213)	$1,017,742	~~$1,017,742~~ *$3,931,744*		
	Temporary Assistance for Needy Families (TANF) Child Care Subsidies (45214)	$57,722,640	~~$59,823,670~~ *$64,062,303*		
	At-Risk Child Care Subsidies (45215)	$82,033,895	~~$85,644,477~~ *$90,056,116*		
	Unemployed Parents Cash Assistance (45216)	$8,514,169	$8,514,169		
	Fund Sources: General	$82,675,388	$82,765,121		
	Federal Trust	$172,208,842	~~$178,186,907~~ *$185,725,732*		

Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 1 through 7, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A. It is hereby acknowledged that as of June 30, 2013 there existed with the federal government an unexpended balance of $39,078,902 in federal Temporary Assistance for Needy Families (TANF) block grant funds which are available to the Commonwealth of Virginia to reimburse expenditures incurred in accordance with the adopted State Plan for the TANF program. Based on projected spending levels and appropriations in this act, the Commonwealth's accumulated balance for authorized federal TANF block grant funds is estimated at $47,528,489 on June 30, 2014; ~~$39,226,072~~ *$72,735,005* on June 30, 2015; and ~~$27,164,943~~ *$70,522,775* on June 30, 2016.

B. No less than 30 days prior to submitting any amendment to the federal government related to the State Plan for the Temporary Assistance for Needy Families program, the Commissioner of the Department of Social Services shall provide the Chairmen of the House Appropriations and Senate Finance Committees as well as the Director, Department of Planning and Budget written documentation detailing the proposed policy changes. This documentation shall include an estimate of the fiscal impact of the proposed changes and information summarizing public comment that was received on the proposed changes.

C. Notwithstanding any other provision of state law, the Department of Social Services shall maintain a separate state program, as that term is defined by federal regulations governing the Temporary Assistance for Needy Families (TANF) program, 45 C.F.R. § 260.30, for the purpose of providing welfare cash assistance payments to able-bodied two-parent families. The separate state program shall be funded by state funds and operated outside of the TANF program. Able-bodied two-parent families shall not be eligible for TANF cash assistance as defined at 45 C.F.R. § 260.31 (a)(1), but shall receive benefits under the separate state program provided for in this paragraph. Although various conditions and eligibility requirements may be different under the separate state program, the basic benefit payment for which two-parent families are eligible under the separate state program shall not be less than what they would have received under TANF. The Department of Social Services shall establish regulations to govern this separate state program.

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D. As a condition of this appropriation, the Department of Social Services shall disregard the value of one motor vehicle per assistance unit in determining eligibility for cash assistance in the Temporary Assistance for Needy Families (TANF) program and in the separate state program for able-bodied two-parent families.

E. The Department of Social Services, in collaboration with local departments of social services, shall maintain minimum performance standards for all local departments of social services participating in the Virginia Initiative for Employment, Not Welfare (VIEW) program. The department shall allocate VIEW funds to local departments of social services based on these performance standards and VIEW caseloads. The allocation formula shall be developed and revised in cooperation with the local social services departments and the Department of Planning and Budget.

F. A participant whose Temporary Assistance for Needy Families (TANF) financial assistance is terminated due to the receipt of 24 months of assistance as specified in § 63.2-612, Code of Virginia, or due to the closure of the TANF case prior to the completion of 24 months of TANF assistance, excluding cases closed with a sanction for noncompliance with the Virginia Initiative for Employment Not Welfare program, shall be eligible to receive employment and training assistance for up to 12 months after termination, if needed, in addition to other transitional services provided pursuant to § 63.2-611, Code of Virginia.

G. The Department of Social Services, in conjunction with the Department of Correctional Education, shall identify and apply for federal, private and faith-based grants for pre-release parenting programs for non-custodial incarcerated parent offenders committed to the Department of Corrections, including but not limited to the following grant programs: Promoting Responsible Fatherhood and Healthy Marriages, State Child Access and Visitation Block Grant, Serious and Violent Offender Reentry Initiative Collaboration, Special Improvement Projects, § 1115 Social Security Demonstration Grants, and any new grant programs authorized under the federal Temporary Assistance for Needy Families (TANF) block grant program.

H.1. Out of this appropriation, $6,500,000 the first year and $6,500,000 the second year from nongeneral funds is included for Head Start wraparound child care services.

2. Included in this Item is funding to carry out the former responsibilities of the Virginia Council on Child Day Care and Early Childhood Programs. Nongeneral fund appropriations allocated for uses associated with the Head Start program shall not be transferred for any other use until eligible Head Start families have been fully served. Any remaining funds may be used to provide services to enrolled low-income families in accordance with federal and state requirements. Families, who are working or in education and training programs, with income at or below the poverty level, whose children are enrolled in Head Start wraparound programs paid for with the federal block grant funding in this Item shall not be required to pay fees for these wraparound services.

I. Out of this appropriation, $2,647,305 the second year from the general fund and $64,781,649 the first year and $57,260,335 the second year from federal funds shall be provided to support state child care programs which will be administered on a sliding scale basis to income eligible families. The sliding fee scale and eligibility criteria are to be set according to the rules and regulations of the State Board of Social Services, except that the income eligibility thresholds for child care assistance shall account for variations in the local cost of living index by metropolitan statistical areas. The Department of Social Services shall report on the sliding fee scale and eligibility criteria adopted by the Board of Social Services by December 15 of each year. The Department of Social Services shall make the necessary amendments to the Child Care and Development Funds Plan to accomplish this intent. Funds shall be targeted to families who are most in need of assistance with child care costs. Localities may exceed the standards established by the state by supplementing state funds with local funds.

J. Out of this appropriation, $600,000 the first year and $600,000 the second year from nongeneral funds shall be used to provide scholarships to students in early childhood education and related majors who plan to work in the field, or already are working in the field, whether in public schools, child care or other early childhood programs, and who enroll in a state community college or a state supported senior institution of higher education.

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K. Out of this appropriation, $505,000 the first year and $505,000 the second year from nongeneral funds shall be used to provide training of individuals in the field of early childhood education.

L. Out of this appropriation, $300,000 the first year and $300,000 the second year from nongeneral funds shall be used to provide child care assistance for children in homeless and domestic violence shelters.

M. The Department of Social Services shall increase Temporary Assistance for Needy Families (TANF) cash benefits by 2.5 percent on January 1, 2016.

N. The Director, Department of Planning and Budget, shall, on or before June 30, 2016, unallot $500,000 from the general fund in this item, which reflects unused balances in the Unemployed Parents Cash Assistance program.

336.	Financial Assistance for Local Social Services Staff (46000)				$411,764,571	~~$418,157,879~~ *$424,499,840*
	Local Staff and Operations (46010)		$411,764,571	~~$418,157,879~~ *$424,499,840*		
	Fund Sources: General		$112,125,468	$114,372,395		
		Dedicated Special Revenue	$3,000,000	$3,000,000		
		Federal Trust	$296,639,103	~~$300,785,484~~ *$307,127,445*		

Authority: Title 63.2, Chapters 1 through 7 and 9 through 16, Code of Virginia; P.L. 104-193, Titles IV A, XIX, and XXI, Social Security Act, Federal Code, as amended.

A. The amounts in this Item shall be expended under regulations of the Board of Social Services to reimburse county and city welfare/social services boards pursuant to § 63.2-401, Code of Virginia, and subject to the same percentage limitations for other administrative services performed by county and city public welfare/social services boards and superintendents of public welfare/social services pursuant to other provisions of the Code of Virginia, as amended.

B. Pursuant to the provisions of §§ 63.2-403, 63.2-406, 63.2-407, 63.2-408, and 63.2-615 Code of Virginia, all moneys deducted from funds otherwise payable out of the state treasury to the counties and cities pursuant to the provisions of § 63.2-408, Code of Virginia, shall be credited to the applicable general fund account.

C. Included in this appropriation are funds to reimburse local social service agencies for eligibility workers who interview applicants to determine qualification for public assistance benefits which include but are not limited to: Temporary Assistance for Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP); and Medicaid.

D. Included in this appropriation are funds to reimburse local social service agencies for social workers who deliver program services which include but are not limited to: child and adult protective services complaint investigations; foster care and adoption services; and adult services.

E. Out of the federal fund appropriation for local social services staff, amounts estimated at $55,000,000 the first year and $55,000,000 the second year shall be set aside for allowable local costs which exceed available general fund reimbursement and amounts estimated at $16,000,000 the first year and $16,000,000 the second year shall be set aside to reimburse local governments for allowable costs incurred in administering public assistance programs.

F. Out of this appropriation, $439,338 the first year and $439,338 the second year from the general fund and $422,109 the first year and $422,109 the second year from nongeneral funds is provided to cover the cost of the health insurance credit for retired local social services employees.

337.	Child Support Enforcement Services (46300)				$769,061,898	~~$769,061,898~~ *$770,108,474*

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Support Enforcement and Collection Services (46301)	$98,863,727	~~$98,863,727~~ *$105,202,165*		
Public Assistance Child Support Payments (46302)	$11,000,000	$11,000,000		
Non-Public Assistance Child Support Payments (46303)	$659,198,171	~~$659,198,171~~ *$653,906,309*		
Fund Sources: General	$12,539,322	~~$12,039,322~~ *$12,513,126*		
Special	$694,397,989	$694,897,989		
Federal Trust	$62,124,587	~~$62,124,587~~ *$62,697,359*		

Authority: Title 20, Chapters 2 through 3.1 and 4.1 through 9; Title 63.2, Chapter 19, Code of Virginia; P.L. 104-193, as amended; P.L. 105-200, P.L. 106-113, Federal Code.

A. Any net revenue from child support enforcement collections, after all disbursements are made in accordance with state and federal statutes and regulations, and after the state's share of the cost of administering the program is paid, shall be estimated and deposited into the general fund by June 30 of the fiscal year in which it is collected. Any additional moneys determined to be available upon final determination of a fiscal year's costs of administering the program shall be deposited to the general fund by September 1 of the subsequent fiscal year in which it is collected.

B. In determining eligibility and amounts for cash assistance, pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the department shall continue to disregard up to $100 per month in child support payments and return to recipients of cash assistance up to $100 per month in child support payments collected on their behalf.

C. The state share of amounts disbursed to recipients of cash assistance pursuant to paragraph B of this Item shall be considered part of the Commonwealth's required Maintenance of Effort spending for the federal Temporary Assistance for Needy Families program established by the Social Security Act.

D. The department shall expand collections of child support payments through contracts with private vendors. However, the Department of Social Services and the Office of the Attorney General shall not contract with any private collection agency, private attorney, or other private entity for any child support enforcement activity until the State Board of Social Services has made a written determination that the activity shall be performed under a proposed contract at a lower cost than if performed by employees of the Commonwealth.

E. The Division of Child Support Enforcement, in cooperation with the Department of Medical Assistance Services, shall identify cases for which there is a medical support order requiring a noncustodial parent to contribute to the medical cost of caring for a child who is enrolled in the Medicaid or Family Access to Medical Insurance Security (FAMIS) Programs. Once identified, the division shall work with the Department of Medical Assistance Services to take appropriate enforcement actions to obtain medical support or repayments for the Medicaid program.

338.	Adult Programs and Services (46800)			$38,461,169	$39,561,169
	Auxiliary Grants for the Aged, Blind, and Disabled (46801)	$22,398,969	$22,398,969		
	Adult In-Home and Supportive Services (46802)	$6,822,995	$6,822,995		
	Domestic Violence Prevention and Support Activities (46803)	$9,239,205	$10,339,205		
	Fund Sources: General	$22,756,141	$23,856,141		
	Federal Trust	$15,705,028	$15,705,028		

Authority: Title 63.2, Chapters 1, 16 and 22, Code of Virginia; Title XVI, federal Social Security Act, as amended.

A.1. Effective January 1, 2015, the Department of Social Services, in collaboration with the

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Department for Aging and Rehabilitative Services, is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of $1,219 per month, which rate is also applied to approved adult foster care homes, unless modified as indicated below. The department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight.

2. Effective January 1, 2013, the monthly personal care allowance for auxiliary grant recipients who reside in licensed assisted living facilities and approved adult foster care homes shall be $82 per month, unless modified as indicated below.

3. The Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services, is authorized to increase the assisted living facility and adult foster care home rates and/or the personal care allowance cited above on January 1 of each year in which the federal government increases Supplemental Security Income or Social Security rates or at any other time that the department determines that an increase is necessary to ensure that the Commonwealth continues to meet federal requirements for continuing eligibility for federal financial participation in the Medicaid program. Any such increase is subject to the prior concurrence of the Department of Planning and Budget. Within thirty days after its effective date, the Department of Social Services shall report any such increase to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees with an explanation of the reasons for the increase.

B. Out of this appropriation, $4,185,189 the first year and $4,185,189 in the second year from the federal Social Services Block Grant shall be allocated to provide adult companion services for low-income elderly and disabled adults.

C. The toll-free telephone hotline operated by the Department of Social Services to receive child abuse and neglect complaints shall also be publicized and used by the department to receive complaints of adult abuse and neglect.

D. Out of this appropriation, $248,750 the first year and $248,750 the second year from the general fund and $1,346,792 the first year and $1,346,792 the second year from federal Temporary Assistance for Needy Families (TANF) funds shall be provided as a grant to local domestic violence programs for purchase of crisis and core services for victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency transportation, and other crisis services as a first priority.

E. Out of this appropriation, $75,000 the first year and $75,000 the second year from the general fund and $400,000 the first year and $400,000 the second year from nongeneral funds shall be provided for the purchase of services for victims of domestic violence as stated in § 63.2-1615, Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

F. Out of this appropriation $1,100,000 the second year from the general fund and $1,000,000 the first year and $1,000,000 the second year from federal Temporary Assistance to Needy Families (TANF) funds shall be provided as a grant to local domestic violence programs for services.

G. The Director, Department of Planning and Budget, shall, on or before June 30, 2015, unallot $400,000 from the general fund in this item, which reflects unused balances in the auxiliary grants program.

H. The Director, Department of Planning and Budget, shall, on or before June 30, 2016, unallot $1,000,000 from the general fund in this item, which reflects unused balances in the Auxiliary Grant program.

339.	Child Welfare Services (46900)			$181,856,821	~~$181,882,938~~ *$190,092,155*
	Foster Care Payments (46901)	$40,473,220	~~$40,515,548~~ *$47,812,184*		
	Supplemental Child Welfare Activities (46902)	$26,545,518	$26,545,518		
	Adoption Subsidy Payments (46903)	$114,838,083	~~$114,821,872~~ *$115,734,453*		

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Fund Sources: General	$96,360,229	~~$96,365,182~~ *$98,041,701*		
Special	$325,030	$325,030		
Dedicated Special Revenue	$235,265	$235,265		
Federal Trust	$84,936,297	~~$84,957,461~~ *$91,490,159*		

Authority: Title 63.2, Chapters 1, 2, 4 and 8 through 15, Code of Virginia; P.L. 100-294, P.L. 101-126, P.L. 101-226, P.L. 105-89, P.L. 110-351, P.L. 111-320, as amended, Federal Code.

A. Expenditures meeting the criteria of Title IV-E of the Social Security Act shall be fully reimbursed except that expenditures otherwise subject to a standard local matching share under applicable state policy, including local staffing, shall continue to require local match. The commissioner shall ensure that local social service boards obtain reimbursement for all children eligible for Title IV-E coverage.

B. The commissioner, in cooperation with the Department of Planning and Budget, shall establish a reasonable, automatic adjustment for inflation each year to be applied to the room and board maximum rates paid to foster parents. However, this provision shall apply only in fiscal years following a fiscal year in which salary increases are provided for state employees.

C. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be provided for the purchase of services for victims child abuse and neglect prevention activities as stated in § 63.2-1502, Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

D. Out of this appropriation, $180,200 the first year and $180,200 the second year from the general fund and $99,800 the first year and $99,800 the second year from nongeneral funds shall be provided to continue respite care for foster parents.

E. Notwithstanding the provisions of §§ 63.2-1300 through 63.2-1303, Code of Virginia, adoption assistance subsidies and supportive services shall not be available for children adopted through parental placements. This restriction does not apply to existing adoption assistance agreements.

F.1. Out of this appropriation, $1,500,000 the first year from federal funds and $1,500,000 the second year from the general fund shall be provided to implement pilot programs that increase the number of foster care children adopted.

2. Beginning October 1, 2013, the department shall provide a quarterly report, within 30 days of quarter end, on the use and effectiveness of this funding including, but not limited to, the additional number of special needs children adopted from foster care as a result of this effort and the types of ongoing supportive services provided, to the Governor, Chairmen of House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget.

G. Out of this appropriation, $33,207,631 the first year and ~~$33,985,779~~ *$34,774,377* the second year from the general fund and $7,000,000 the first year and $7,000,000 the second year from nongeneral funds shall be provided for special needs adoptions.

H. Out of this appropriation $37,603,764 the first year and ~~$38,835,831~~ *$40,488,144* the second year from the general fund and $37,603,764 the first year and ~~$38,835,831~~ *$40,488,144* the second year from nongeneral funds shall be provided for Title IV-E adoption subsidies.

I. The Commissioner, Department of Social Services, shall ensure that local departments that provide independent living services to persons between 18 and 21 years of age make certain information about and counseling regarding the availability of independent living services is provided to any person who chooses to leave foster care or who chooses to terminate independent living services before his twenty-first birthday. Information shall include the option for restoration of independent living services following termination of independent living services, and the processes whereby independent living services may be restored should he choose to seek restoration of such services in accordance with § 63.2-905.1 of the Code of Virginia.

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J. Notwithstanding the provisions of § 63.2-1302, Code of Virginia, the Department of Social Services shall negotiate all adoption assistance agreements with both existing and prospective adoptive parents on behalf of local departments of social services. This provision shall not alter the legal responsibilities of the local departments of social services set out in Chapter 13 of Title 63.2, Code of Virginia, nor alter the rights of the adoptive parents to appeal.

2. Out of this appropriation, $358,246 the first year and $342,414 the second year from the general fund and $225,883 the first year and $215,900 the second year from nongeneral funds shall be provided for five positions to execute these negotiations.

K. The Commissioner, Department of Social Services, shall report on all efforts undertaken by the agency to increase adoptions of children from foster care. The report shall include the number, ages and other appropriate demographic data of children in foster care who are eligible for adoption, available information on the number who have special needs, and barriers to adoption of children in foster care. In addition, the report shall include information on current efforts to help foster care children who age out of the system transition to adulthood and options to improve that transition. The report shall include current trends for this population as compared to the general population related to employment, secondary and post-secondary educational attainment, living arrangements, dependence on public assistance, early parenthood and family situations, health care access, and involvement with the criminal justice system to the extent data are available. Furthermore, the department shall analyze the adequacy of independent living services and other current efforts to assist foster care youth with the transition to independence and provide recommendations to modify the appropriate services and programs in order to improve outcomes for this population in their transition to adulthood. The department shall engage other appropriate state agencies and stakeholders as necessary to develop the report. The department shall submit the report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2015.

L.1. The Department of Social Services shall establish a pilot program to partner with Patrick Henry Family Services in Planning District 11 for the temporary placements of children in families in crisis. This pilot program would allow a parent or legal custodian of a minor, with the assistance of Patrick Henry Family Services, to delegate to another person, by a properly executed power of attorney, any powers regarding care, custody, or property of the minor for a temporary placement for a period that is not greater than 90 days. This program would allow for an option of a one-time 90 day extension. Prior to the expiration of the 180 day period, if the child is unable to return to his home, then Patrick Henry Family Services shall contact the local department of social services and request an assessment of the child and an evaluation of services needed and to determine if a petition to assess the care and custody of the child should be filed in the local juvenile and domestic relations court. DSS shall ensure that this pilot program meets the following specific programmatic and safety requirements outlined in Virginia Administrative Code § 22 VAC 40-131 and § 22 VAC 40-191.

2. The Department of Social Services shall ensure that the pilot program organization shall meet the background check requirements described in Virginia Administrative Code § 22 VAC 40-191. The pilot program organization shall develop and implement written policies and procedures for governing active and closed cases, admissions, monitoring the administration of medications, prohibiting corporal punishment, ensuring that children are not subjected to abuse or neglect, investigating allegations of misconduct toward children, implementing the child's back-up emergency care plan, assigning designated casework staff, management of all records, discharge policies, and the use of seclusion and restraint pursuant to Virginia Administrative Code § 22 VAC 40-131-90. In addition, the pilot program organization shall provide pre-service and ongoing training for temporary placement providers and staff pursuant to Virginia Administrative Code § 22 VAC 40-131-210 and § 22 VAC 40-131-150.

3. The Department of Social Services shall evaluate the pilot program and determine if this model of prevention is effective. A report of the evaluation findings and recommendations shall be submitted to the Governor and Chairmen of the House Appropriations and Senate Finance Committees, and Commission on Youth by December 1, 2017.

ITEM 340.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
340.	Not set out.				
341.	Financial Assistance to Community Human Services Organizations (49200)			$25,700,789	~~$26,475,789~~ *$27,613,410*
	Community Action Agencies (49201)	$13,388,048	~~$14,388,048~~ *$14,573,773*		
	Volunteer Services (49202)	$3,866,340	$3,866,340		
	Other Payments to Human Services Organizations (49203)	$8,446,401	~~$8,221,401~~ *$9,173,297*		
	Fund Sources: General	$4,098,621	$3,848,621		
	Federal Trust	$21,602,168	~~$22,627,168~~ *$23,764,789*		

Authority: Title 2.2, Chapter 54; Title 63.2, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A.1. All increased state or federal funds distributed to Community Action Agencies shall be distributed as follows: The funds shall be distributed to all local Community Action Agencies according to the Department of Social Services funding formula (75 percent based on low-income population, 20 percent based on number of jurisdictions served, and five percent based on square mileage served), adjusted to ensure that no agency receives less than 1.5 percent of any increase.

2. Out of this appropriation, $185,725 the first year from the general fund and $185,725 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with the Virginia Community Action Partnership to provide outreach, education and tax preparation services via the Virginia Earned Income Tax Coalition and other community non-profit organizations to citizens who may be eligible for the federal Earned Income Tax Credit. The contract shall require the Virginia Community Action Partnership to report on its efforts to expand the number of Virginians who are able to claim the federal EITC, including the number of individuals identified who could benefit from the credit, the number of individuals counseled on the availability of federal EITC, and the number of individuals assisted with tax preparation to claim the federal EITC. The annual report from the Virginia Community Action Partnership shall also detail actual expenditures for the program including the sub-contractors that were utilized. This report shall be provided to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by December 1 each year.

3. Out of this appropriation, $1,000,000 the first year and $2,000,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with local Community Action Agencies to provide an array of services designed to meet the needs of low-income individuals and families, including the elderly and migrant workers. Services may include, but are not limited to, child care, community and economic development, education, employment, health and nutrition, housing, and transportation.

B. The department shall continue to fund from this Item all organizations recognized by the Commonwealth as community action agencies as defined in §2.2-540 et seq.

C. Out of this appropriation, $4,285,501 the first year and $4,285,501 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with programs that follow the evidence-based Healthy Families America home visiting model that promotes positive parenting, improves child health and development, and reduces child abuse and neglect. The Department of Social Services shall use a portion of the funds from this item to contract with the statewide office of Prevent Child Abuse Virginia for providing the coordination, technical support, quality assurance, training and evaluation of the Virginia Healthy Families programs.

D. Out of this appropriation, $100,000 the first year and $100,000 the second year from nongeneral funds shall be provided for Volunteer Emergency Families for Children to expand its shelter care network for abused, neglected, runaway, homeless, and at-risk children throughout Virginia.

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E. Out of this appropriation, $100,000 the first year and $100,000 the second year from nongeneral funds shall be provided for the Child Abuse Prevention Play (the play) administered by Virginia Repertory Theatre. The contract shall include production and live performances of the play that teach child safety awareness to prevent child abuse.

F. Out of this appropriation, $70,000 the first year and $70,000 the second year from the general fund shall be provided to contract with the Virginia Alzheimer's Association Chapters to provide dementia-specific training to long-term care workers in licensed nursing facilities, assisted living facilities and adult day care centers who deal with Alzheimer's disease and related disorders.

G. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be provided to contract with Northern Virginia Family Services (NVFS) to provide supportive services that address the basic needs of families in crisis, including the provision of food, financial assistance to prevent homelessness, and access to health services. The contract shall require NVFS to provide an intake process that identifies the needs and appropriate services for those in crisis. Outcomes will be measured utilizing surveys provided to those who receive services and NVFS will report quarterly on survey results.

H. Out of this appropriation, $931,000 the first year and $931,000 the second year from the general fund shall be provided to contract with child advocacy centers (CAC) to provide a comprehensive, multidisciplinary team response to allegations of child abuse in a dedicated, child-friendly setting. The contracts shall require CACs to provide forensic interviews, victim support and advocacy services, medical evaluations, and mental health services to victims of child abuse and neglect with the expected outcome of reducing child abuse and neglect. The department shall allocate four percent to Children's Advocacy Centers of Virginia (CACVA), the recognized chapter of the National Children's Alliance for Virginia's Child Advocacy Centers, for the purpose of assisting and supporting the development, continuation, and sustainability of community-coordinated, child-focused services delivered by children's advocacy centers (CACs). Of the remaining 96 percent, (i) 65 percent shall be distributed to a baseline allocation determined by the accreditation status of the CAC: (a) developing and associate centers 100 percent of base; (b) accredited centers 150 percent of base; and (c) accredited centers with satellite facilities 175 percent of base; and (ii) 35 percent shall be allocated according to established criteria to include: (a) 25 percent determined by the rate of child abuse per 1,000; (b) 25 percent determined by child population; and (c) 50 percent determined by the number of counties and independent cities serviced.

I. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund shall be provided to contract with Youth for Tomorrow (YFT) to provide comprehensive residential, education and counseling services to at-risk youth of the Commonwealth of Virginia who have been sexually exploited, including victims of sex trafficking. The contract shall require YFT to provide individual assessments/individual service planning; individual and group counseling; room and board; coordination of medical and mental health services and referrals; independent living services for youth transitioning out of foster care; active supervision; education; and family and family reunification services. Youth for Tomorrow shall submit monthly progress reports on activities conducted and progress achieved on outputs, outcomes and other functions/activities during the reporting period. On October 1 of each year, YFT shall provide an annual report to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees that details program services, outputs and outcomes.

J. Out of this appropriation, $25,000 the first year and $25,000 the second year from the federal Temporary Assistance For Needy Families (TANF) block grant shall be provided to contract with the Visions of Truth Community Development Corporation (Visions of Truth) to support self-sufficiency programs for at-risk youth by improving education performance. The contract shall require Visions of Truth Community Development Corporation to provide at-risk students in grades 7-12 with a personalized learning program including standards of learning preparation and homework assistance from certified teachers and college students. Visions of Truth shall report expenditures and performance on a quarterly basis and shall provide an annual report with detailed program results.

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K.1. Out of this appropriation, $1,250,000 the first year and $1,250,000 the second year from the general fund shall be provided to contract with the Virginia Early Childhood Foundation (VECF) to support the health and school readiness of Virginia's young children prior to school entry. These funds shall be matched with local public and private resources with a goal of leveraging a dollar for each state dollar provided.

2. Of the amounts in paragraph K.1. above, $1,250,000 the first year and $1,250,000 the second year from the general fund shall be used to provide information and assistance to parents and families and to facilitate partnerships with both public and private providers of early childhood services. VECF will track and report statewide and local progress on a biennial basis. The Foundation shall account for the expenditure of these funds by providing the Governor, Secretary of Health and Human Resources, and the Chairmen of the House Appropriations and Senate Finance Committees with a certified audit and full report on Foundation initiatives and results not later than October 1 of each year for the preceding fiscal year ending June 30.

3. On or before October 1 of each year, the foundation shall submit to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees a report on the actual amount, by fiscal year, of private and local government funds received by the foundation.

L. Out of this appropriation, $250,000 the first year from the general fund shall be used to contract with Elevate Early Education for the purpose of developing a pilot program for a kindergarten readiness assessment. The contract with Elevate Early Education to administer this program shall require the submission of a final report from the organization detailing the assessment method(s) utilized, actual expenditures for the program, and outcome analysis and evaluation. This report shall be submitted to the Governor, Chairmen of the House Appropriations and Senate Finance Committees, and the Secretaries of Health and Human Resources and Education no later than January 1, 2015. Prior to the receipt of any state funding for this purpose, Elevate Early Education must provide evidence of private matching funds secured for this purpose.

M. Out of this appropriation, $25,000 the second year from the federal Temporary Assistance to Needy Families block grant shall be provided to Zion Innovative Opportunities Network.

342.	Regulation of Public Facilities and Services (56100)			$16,378,167	~~$33,602,272~~ *$25,460,980*
	Regulation of Adult and Child Welfare Facilities (56101)	$14,506,540	~~$31,730,645~~ *$23,173,304*		
	Interdepartmental Licensure and Certification (56106)	$1,871,627	~~$1,871,627~~ *$2,287,676*		
	Fund Sources: General	$4,031,782	~~$4,031,782~~ *$3,831,782*		
	Special	$1,869,187	~~$1,869,187~~ *$2,274,446*		
	Federal Trust	$10,477,198	~~$27,701,303~~ *$19,354,752*		

Authority: Title 63.2, Chapters 17 and 18, Code of Virginia.

A. The state nongeneral fund amounts collected and paid into the state treasury pursuant to the provisions of § 63.2-1700, Code of Virginia, shall be used for the development and delivery of training for operators and staff of assisted living facilities, adult day care centers, and child welfare agencies.

B. As a condition of this appropriation, the Department of Social Services shall (i) promptly fill all position vacancies that occur in licensing offices so that positions shall not remain vacant for longer than 120 days and (ii) hire sufficient child care licensing specialists to ensure that all child care facilities receive, at a minimum, the two visits per year mandated by § 63.2-1706, Code of Virginia, and that facilities with compliance problems receive additional inspection visits as necessary to ensure compliance with state laws and regulations.

C. As a condition of this appropriation, the Department of Social Services shall utilize a risk

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assessment instrument for child and adult care enforcement. This instrument shall include criteria for determining when the following sanctions may be used: (i) the imposition of intermediate sanctions, (ii) the denial of licensure renewal or revocation of license of a licensed facility, (iii) injunctive relief against a child care provider, and (iv) additional inspections and intensive oversight of a facility by the Department of Social Services.

D. Out of this appropriation, the Department of Social Services shall implement training for new assisted living facility owners and managers to focus on health and safety issues, and resident rights as they pertain to adult care residences.

E. Out of this appropriation, $17,224,105 from the federal Child Care and Development Fund (CCDF) and 79 positions the second year are provided to handle the workload associated with licensing, inspecting and monitoring family day homes, pursuant to legislation passed during the 2015 Regular Session of the General Assembly. On July 1, 2015, the Director of the Department of Planning and Budget (DPB) shall unallot $12,918,078 of this appropriation. At such time as the department demonstrates a sufficient increase in family day home licensure, inspection and monitoring activity to necessitate additional staff, the Director of DPB may allot additional resources. The Department of Social Services shall provide a quarterly report on the implementation of House Bill 1570 / Senate Bill 1168 to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees.

F. The Department of Social Services shall work with localities that currently inspect child day care centers and family day homes to minimize duplication and overlap of inspections pursuant to the implementation of House Bill 1570 / Senate Bill 1168, passed during the 2015 Regular Session."

G. No child day center, family day home, or family day system licensed in accordance with Chapter 17, Title 63.2; child day center exempt from licensure pursuant to § 63.2-1716; registered family day home; family day home approved by a family day system; or any child day center or family day home that enters into a contract with the Department of Social Services or a local department of social services to provide child care services funded by the Child Care and Development Block Grant shall employ; continue to employ; or permit to serve as a volunteer who will be alone with, in control of, or supervising children any person who has an offense as defined in § 63.2-1719. All employees and volunteers shall undergo the following background check by July 1, 2017 and every 5 years thereafter, as required by the federal Child Care and Development Block Grant Act of 2014 (CCDBG).

343.	Administrative and Support Services (49900)			$147,618,208	~~$104,477,260~~ *$131,608,873*
	General Management and Direction (49901)	$3,304,093	~~$3,486,423~~ *$3,347,861*		
	Information Technology Services (49902)	$127,857,769	~~$84,534,491~~ *$108,377,067*		
	Accounting and Budgeting Services (49903)	$7,517,002	~~$7,517,002~~ *$8,377,915*		
	Human Resources Services (49914)	$2,673,989	~~$2,673,989~~ *$2,917,789*		
	Planning and Evaluation Services (49916)	$1,144,000	~~$1,144,000~~ *$3,420,715*		
	Procurement and Distribution Services (49918)	$2,653,051	~~$2,653,051~~ *$2,723,440*		
	Public Information Services (49919)	$2,151,451	~~$2,151,451~~ *$2,115,718*		
	Financial and Operational Audits (49929)	$316,853	~~$316,853~~ *$328,368*		
	Fund Sources: General	$41,670,532	~~$40,713,111~~ *$48,478,136*		
	Special	$175,000	$175,000		
	Federal Trust	$105,772,676	~~$63,589,149~~ *$82,955,737*		

Authority: Title 63.2, Chapter 1; § 2.2-4000 et seq., Code of Virginia; P.L. 98-502, P.L.

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104-156, P.L. 104-193, P.L. 104-327, P.L. 105-33, as amended, P.L. 105-89, Federal Code; Titles IV-A, IV-B, IV-D, IV-E, XIX, XX, XXI of the federal Social Security Act, as amended.

A. The Department of Social Services shall require localities to report all expenditures on designated social services, regardless of reimbursement from state and federal sources. The Department of Social Services is authorized to include eligible costs in its claim for Temporary Assistance for Needy Families Maintenance of Effort requirements.

B. It is the intent of the General Assembly that the Commissioner, Department of Social Services shall work with localities that seek to voluntarily merge and consolidate their respective local departments of social services. No funds appropriated under this act shall be used to require a locality to merge or consolidate local departments of social services.

C. The Commissioner, Department of Social Services, in consultation with relevant state and local agencies, shall develop proposed criteria for assessing funding requests for addressing space needs among local departments of social services, as well as proposed consolidated human services buildings. The criteria shall include but not be limited to compliance with the Americans with Disabilities Act, access to public transportation, life safety issues, condition of current space and related major building systems, impact on service delivery, and other factors as may be appropriate. The department shall use the criteria to prioritize local requests for increased state reimbursement for renovating existing space, relocating or constructing new space. For those jurisdictions that, when applying such criteria, achieve high priority ranking for increased state reimbursement, yet initiate local funding actions to address critical space needs or to consolidate human services, they shall nevertheless retain their ranking on the prioritized list of projects for increased state reimbursement for renovating existing space, relocating or constructing new space. The department shall forward a prioritized list of projects to the Secretary of Health and Human Resources and the Department of Planning and Budget by November 1 of each year for consideration by the Governor in the development of the budget. The department shall also submit a copy of the list of prioritized projects by November 1 of each year, to the Chairmen of the House Appropriations and Senate Finance Committees.

D.1. Out of this appropriation, $473,844 the first year and $473,844 the second year from the general fund and $781,791 the first year and $781,791 the second year from nongeneral funds shall be provided to support the statewide 2-1-1 Information and Referral System which provides resource and referral information on many of the specialized health and human resource services available in the Commonwealth, including child day care availability and providers in localities throughout the state, and publish consumer-oriented materials for those interested in learning the location of child day care providers.

2. The Department of Social Services shall request that all state and local child-serving agencies within the Commonwealth be included in the Virginia Statewide Information and Referral System as well as any agency or entity that receives state general fund dollars and provides services to families and youth. The Secretary of Health and Human Resources, the Secretary of Education and Workforce, and the Secretary of Public Safety and Homeland Security shall assist in this effort by requesting all affected agencies within their secretariats to submit information to the statewide Information and Referral System and ensure that such information is accurate and updated annually. Agencies shall also notify the Virginia Information and Referral System of any changes in services that may occur throughout the year.

3. The Department of Social Services shall communicate with child-serving agencies within the Commonwealth about the availability of the statewide Information and Referral System. This information shall also be communicated via the Department of Social Services' broadcast system on their agency-wide Intranet so that all local and regional offices can be better informed about the Statewide Information and Referral System. Information on the Statewide Information and Referral System shall also be included within the department's electronic mailings to all local and regional offices at least biannually.

E.1. Out of this appropriation, $4,100,000 the first year and ~~$5,005,061~~ *$7,131,072* the second year from the general fund and $50,727,496 the first year and ~~$10,172,218~~ *$18,949,130* the second year from nongeneral funds shall be provided to complete the base contract to modernize the eligibility determination systems in the Department of Social Services. If any

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additional funding is needed, the department shall complete modernization efforts within existing resources.				
2. Within 30 days of awarding a contract related to the eligibility project, the Department of Social Services shall provide the Chairmen of House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget with a copy of the contract including costs.				
3. Beginning July 1, 2012, the Department of Social Services shall also provide semi-annual progress reports that must include a current project summary, implementation status, accounting of project expenditures and future milestones. All reports shall be submitted to the Chairmen of House Appropriations and Senate Finance Committees, and Director, Department of Planning and Budget.				
F. Out of this appropriation, $522,286 the first year and $522,286 the second year from the general fund and $1,924,019 the first year and $1,924,019 the second year from nongeneral funds shall be provided to supplement management and programmatic support of the agency's eligibility systems modernization effort. In addition, eight positions are added in FY 2013. These resources shall be dedicated to the modernization project until its completion or the end of FY 2017, whichever comes first.				
344. Not set out.				
345. Not set out.				
Total for Department of Social Services			**$1,961,552,836**	~~**$1,949,872,401**~~ ***$1,992,722,734***
General Fund Positions	559.21	615.21		
Nongeneral Fund Positions	1,162.29	1,213.29		
Position Level	1,721.50	1,828.50		
Fund Sources: General	$392,352,241	~~$393,970,601~~ *$403,251,996*		
Special	$696,867,206	~~$697,367,206~~ *$697,772,465*		
Dedicated Special Revenue	$3,235,265	$3,235,265		
Federal Trust	$869,098,124	~~$855,299,329~~ *$888,463,008*		
346. Not set out.				
347. Not set out.				
§ 1-23. DEPARTMENT FOR THE BLIND AND VISION IMPAIRED (702)				
348. Not set out.				
349. Not set out.				
350. Not set out.				
351. Not set out.				
352. Rehabilitative Industries (81000)			$31,489,478	~~$31,489,478~~ *$45,757,928*
Manufacturing, Retail, and Contract Operations (81003)	$31,489,478	~~$31,489,478~~ *$45,757,928*		
Fund Sources: Enterprise	$31,489,478	~~$31,489,478~~ *$45,757,928*		
Authority: § 51.5-72, Code of Virginia; P.L. 92-29 and P.L. 93-112, Federal Code.				
The Industry Production Workers with the Virginia Industries for the Blind shall not be counted in the classified employment levels of the Department for the Blind and Vision Impaired.				

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353.	Not set out.				
	Total for Department for the Blind and Vision Impaired			**$49,754,735**	~~**$49,325,014**~~ ***$63,593,464***
	General Fund Positions	62.60	62.60		
	Nongeneral Fund Positions	84.40	84.40		
	Position Level	147.00	147.00		
	Fund Sources: General	$6,564,461	$6,116,691		
	Special	$983,589	$983,589		
	Enterprise	$32,261,293	~~$32,261,293~~ *$46,529,743*		
	Trust and Agency	$205,000	$205,000		
	Federal Trust	$9,740,392	$9,758,441		
354.	Not set out.				
355.	Not set out.				
	Grand Total for Department for the Blind and Vision Impaired			**$52,352,241**	~~**$51,922,562**~~ ***$66,191,012***
	General Fund Positions	62.60	62.60		
	Nongeneral Fund Positions	110.40	110.40		
	Position Level	173.00	173.00		
	Fund Sources: General	$6,732,344	$6,284,616		
	Special	$1,002,589	$1,002,589		
	Enterprise	$32,261,293	~~$32,261,293~~ *$46,529,743*		
	Trust and Agency	$205,000	$205,000		
	Federal Trust	$12,151,015	$12,169,064		
	TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES			**$12,856,730,246**	~~**$13,294,939,428**~~ ***$13,676,606,253***
	General Fund Positions	8,815.45	8,915.10		
	Nongeneral Fund Positions	6,998.80	~~7,072.15~~ *7,073.15*		
	Position Level	15,814.25	~~15,987.25~~ *15,988.25*		
	Fund Sources: General	$5,340,526,203	~~$5,645,227,245~~ *$5,842,104,914*		
	Special	$1,155,749,488	~~$1,150,550,621~~ *$1,150,955,880*		
	Enterprise	$32,261,293	~~$32,261,293~~ *$46,529,743*		
	Trust and Agency	$993,798	$993,798		
	Dedicated Special Revenue	$582,075,554	~~$499,159,602~~ *$499,909,602*		
	Federal Trust	$5,745,123,910	~~$5,966,746,869~~ *$6,136,112,316*		

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OFFICE OF NATURAL RESOURCES

356. Not set out.

357. Not set out.

358. Not set out.

359. Not set out.

360. Not set out.

361. Not set out.

362. Not set out.

363. Not set out.

364. Not set out.

365. Not set out.

366. Not set out.

367. Not set out.

368. Not set out.

§ 1-24. DEPARTMENT OF HISTORIC RESOURCES (423)

369.	Historic and Commemorative Attraction Management (50200)			$6,647,495	~~$7,624,575~~ *$7,692,215*
	Financial Assistance for Historic Preservation (50204)	$2,044,194	~~$3,144,339~~ *$3,211,979*		
	Historic Resource Management (50205)	$4,603,301	$4,480,236		
	Fund Sources: General	$4,539,332	~~$5,516,309~~ *$5,583,949*		
	Special	$671,584	$671,687		
	Commonwealth Transportation	$100,000	$100,000		
	Federal Trust	$1,336,579	$1,336,579		

Authority: Title 10.1, Chapters 22 and 23, Code of Virginia.

A. General fund appropriations for historic and commemorative attractions not identified in § 10.1-2211 or § 10.1-2211.1, Code of Virginia, shall be matched by local or private sources, either in cash or in-kind, in amounts at least equal to the appropriation and which are deemed to be acceptable to the department.

B. In emergency situations which shall be defined as those posing a threat to life, safety or property, § 10.1-2213, Code of Virginia, shall not apply.

C.1. Out of the amounts for Financial Assistance for Historic Preservation shall be paid from the general fund grants to the following organization for the purposes prescribed in § 10.1-2211, Code of Virginia:

ORGANIZATION	FY 2015	FY 2016
United Daughters of the Confederacy	$82,585	$82,585

Notwithstanding the cited Code section, the United Daughters of the Confederacy shall make disbursements to the treasurers of Confederate memorial associations and chapters of the United Daughters of the Confederacy for the purposes stated in that section. By November 1 of each year, the United Daughters of the Confederacy shall submit to the Director, Department of Historic Resources a report documenting the disbursement of these funds for their specified purpose.

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2. As disbursements are made to the treasurers of Confederate memorial associations and chapters of the United Daughters of the Confederacy by the United Daughters of the Confederacy for the purposes stated in § 10.1-2211, Code of Virginia, an amount equal to $7,500 each year shall be distributed to the Ladies Memorial Association of Petersburg.

3. As disbursements are made to the treasurers of Confederate memorial associations and chapters of the United Daughters of the Confederacy by the United Daughters of the Confederacy for the purposes stated in § 10.1-2211, Code of Virginia, an amount equal to $90 the first year and $90 the second year shall be distributed to the Town of Coeburn Municipal Graveyard.

D. Notwithstanding the requirements of § 10.1-2211.1, Code of Virginia, $2,850 the first year and $2,850 the second year from the general fund shall be disbursed to the Sons of the American Revolution for the care of Revolutionary War graves and cemeteries.

E. Included in this appropriation is $100,000 the first year and $100,000 the second year in nongeneral funds from the Highway Maintenance and Operating Fund to support the Department of Historic Resources' required reviews of transportation projects.

F. The Department of Historic Resources is authorized to accept a devise of certain real property under the will of Elizabeth Rust Williams known as Clermont Farm located on Route 7 east of the town of Berryville in Clarke County. If, after due consideration of options, the department determines that the property should be sold or leased to a different public or private entity, and notwithstanding the provisions of § 2.2-1156, Code of Virginia, then the department is further authorized to sell or lease such property, provided such sale or lease is not in conflict with the terms of the will. The proceeds of any such sale or lease shall be deposited to the Historic Resources Fund established under § 10.1-2202.1, Code of Virginia.

G.~~1.~~ Notwithstanding the requirements of § 10.1-2213.1, Code of Virginia, $459,382 the first year and ~~$459,382~~ *$527,022* the second year from the general fund is provided as a matching grant for charitable contributions received by the Montpelier Foundation on or after July 1, 2003, that were actually spent in the material restoration of Montpelier between July 1, 2003, and September 30, 2009. *This appropriation meets the provisions of § 10.1-2213.1, Code of Virginia.*

~~2. It is the intent of the General Assembly that over the remaining term of the grant authorized by § 10.1-2213.1, Code of Virginia, Montpelier shall receive the full amount of matching funds provided by the Code of Virginia. In order to meet this provision, level funding will be provided for the remainder of the grant.~~

H. The Department of Historic Resources shall follow and provide input on federal legislation designed to establish a new national system of recognizing and funding Presidential Libraries for those entities that are not included in the 1955 Presidential Library Act.

I. Included in this appropriation is $1,000,000 the first year and $2,000,000 the second year from the general fund to be deposited into the Civil War Historic Site Preservation Fund for grants to be made in accordance with § 10.1-2202.4, Code of Virginia. 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. This appropriation shall be deemed sufficient to meet the provisions of § 2.2-1509.4, Code of Virginia.

J. The Department of Historic Resources is authorized to require applicants for tax credits for historic rehabilitation projects under § 58.1-339.2, Code of Virginia, to provide an audit by a certified public accountant licensed in Virginia, in accordance with guidelines developed by the department in consultation with the Auditor of Public Accounts. The department is also authorized to contract with tax, financial, and other professionals to assist the department with the oversight of historic rehabilitation projects for which tax credits are anticipated.

K. Included in this appropriation is $100,000 the second year from the general fund to support Appomattox County's efforts and activities surrounding the Sesquicentennial Celebration of the surrender of Confederate Robert E. Lee to Union General Ulysses S. Grant at Appomattox Court House National Historic Park.

370. Not set out.

ITEM 370.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Total for Department of Historic Resources			**$7,375,140**	~~**$8,353,150**~~ ***$8,420,790***
	General Fund Positions	29.00	29.00		
	Nongeneral Fund Positions	18.00	18.00		
	Position Level	47.00	47.00		
	Fund Sources: General	$5,058,342	~~$6,036,249~~ *$6,103,889*		
	Special	$703,584	$703,687		
	Commonwealth Transportation	$100,000	$100,000		
	Federal Trust	$1,513,214	$1,513,214		

§ 1-25. MARINE RESOURCES COMMISSION (402)

371.	Not set out.				
372.	Coastal Lands Surveying and Mapping (51000)			$1,899,881	~~$1,882,881~~ *$1,905,881*
	Coastal Lands and Bottomlands Management (51001)	$1,391,408	~~$1,374,408~~ *$1,397,408*		
	Marine Resources Surveying and Mapping (51002)	$508,473	$508,473		
	Fund Sources: General	$941,778	~~$924,778~~ *$947,778*		
	Dedicated Special Revenue	$776,103	$776,103		
	Federal Trust	$182,000	$182,000		
	Authority: Title 28.2, Chapters 12, 13, 14, 15 and 16; Title 62.1, Chapters 16 and 19, Code of Virginia.				
	Out of this appropriation, $23,000 the first year and ~~$6,000~~ *$29,000* the second year from the general fund is designated for Virginia's share of an Army Corps of Engineers project to construct a seawall to preserve the harbor on Tangier Island.				
373.	Not set out.				
374.	Not set out.				
	Total for Marine Resources Commission			**$22,613,067**	~~**$22,847,572**~~ ***$22,870,572***
	General Fund Positions	128.50	128.50		
	Nongeneral Fund Positions	30.00	33.00		
	Position Level	158.50	161.50		
	Fund Sources: General	$11,694,600	~~$11,558,369~~ *$11,581,369*		
	Special	$6,182,582	$6,187,518		
	Commonwealth Transportation	$313,768	$313,768		
	Dedicated Special Revenue	$1,357,117	$1,357,117		
	Federal Trust	$3,065,000	$3,430,800		
375.	Not set out.				
	TOTAL FOR OFFICE OF NATURAL RESOURCES			**$396,734,638**	~~**$409,122,481**~~ ***$409,213,121***
	General Fund Positions	1,022.50	1,022.50		
	Nongeneral Fund Positions	1,157.50	1,160.50		
	Position Level	2,180.00	2,183.00		
	Fund Sources: General	$134,874,293	~~$123,354,364~~ *$123,445,004*		

ITEM 375.		Item Details($)		Appropriations($)	
		First Year FY2015	Second Year FY2016	First Year FY2015	Second Year FY2016
	Special	$41,551,250	$41,302,539		
	Commonwealth Transportation	$413,768	$413,768		
	Enterprise	$12,359,321	$12,359,321		
	Trust and Agency	$37,120,570	$37,120,570		
	Debt Service	$236,144	$236,144		
	Dedicated Special Revenue	$91,297,683	$115,088,366		
	Federal Trust	$78,881,609	$79,247,409		

ITEM 376.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY				
376. Not set out.				
376.05 Not set out.				
377. Not set out.				
§ 1-26. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (999)				
378. Not set out.				
379. Alcoholic Beverage Merchandising (80100)			$579,604,844	~~$633,548,848~~ *$633,859,848*
Administrative Services (80101)	$38,782,199	~~$56,387,237~~ *$56,478,237*		
Alcoholic Beverage Control Retail Store Operations (80102)	$91,455,422	$94,446,672		
Alcoholic Beverage Purchasing, Warehousing and Distribution (80103)	$449,367,223	~~$482,714,939~~ *$482,934,939*		
Fund Sources: Enterprise	$579,604,844	~~$633,548,848~~ *$633,859,848*		
Authority: §§ 4-1 through 4-118.2, Code of Virginia and Item 643, Chapter 966 of the 1994 Acts of Assembly.				
A. The Secretary of Finance shall chair an advisory committee to review the progress of the Department of Alcoholic Beverage Control in planning, financing, procuring, and implementing the information technology systems necessary to sustain the department's business enterprise. Members of this committee shall include the Secretary of Public Safety and Homeland Security; the Director, Department of Planning and Budget; the Director, Department of Accounts; the Chief Information Officer of the Commonwealth; the Auditor of Public Accounts; and the Staff Directors of the House Appropriations and Senate Finance Committees and/or their designees.				
B. Funds appropriated for services related to state lottery operations shall be used solely for lottery ticket purchases and prize payouts.				
C. The Alcoholic Beverage Control Board shall open additional stores in locations deemed to have the greatest potential for total increased sales in order to maximize profitability.				
Total for Department of Alcoholic Beverage Control			**$598,031,789**	~~**$651,975,793**~~ ***$652,286,793***
Nongeneral Fund Positions	1,141.00	1,167.00		
Position Level	1,141.00	1,167.00		
Fund Sources: Enterprise	$597,331,789	~~$651,275,793~~ *$651,586,793*		
Federal Trust	$700,000	$700,000		
§ 1-27. DEPARTMENT OF CORRECTIONS (799)				
380. Not set out.				
381. Not set out.				
382. Not set out.				
383. Not set out.				
384. Operation of Secure Correctional Facilities (39800)			$909,096,240	~~$935,217,673~~ *$935,668,586*

ITEM 384.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
Supervision and Management of Inmates (39802)	$457,374,733	$467,605,728		
Rehabilitation and Treatment Services - Prisons (39803)	$40,035,628	$40,035,628		
Prison Management (39805)	$68,124,755	$68,124,755		
Food Services - Prisons (39807)	$42,646,568	$42,646,568		
Medical and Clinical Services - Prisons (39810)	$167,741,121	~~$183,530,328~~ *$183,981,241*		
Agribusiness (39811)	$9,424,651	$9,424,651		
Correctional Enterprises (39812)	$54,680,835	$54,680,835		
Physical Plant Services - Prisons (39815)	$69,067,949	$69,169,180		
Fund Sources: General	$849,774,318	~~$875,895,751~~ *$876,346,664*		
Special	$57,410,835	$57,410,835		
Dedicated Special Revenue	$990,047	$990,047		
Federal Trust	$921,040	$921,040		

Authority: §§ 53.1-1, 53.1-5, 53.1-8, and 53.1-10, Code of Virginia.

A. Included in this appropriation is $1,005,000 in the first year and $1,005,000 the second year from nongeneral funds for the purposes listed below. The source of the funds is commissions generated by prison commissary operations:

1. $170,000 the first year and $170,000 the second year for Assisting Families of Inmates, Inc., to provide transportation for family members to visit offenders in prison and other ancillary services to family members;

2. $780,000 the first year and $780,000 the second year for distribution to organizations that work to enhance faith-based services to inmates; and

3. $75,000 the first year and $75,000 the second year for the “Pen Pals” program.

B.1. The Department of Corrections is authorized to contract with other governmental entities to house male and female prisoners from those jurisdictions in facilities operated by the department.

2. The State Comptroller shall continue the Contract Prisoners Special Revenue Fund on the Commonwealth Accounting and Reporting System to reflect the activities of contracts between the Commonwealth of Virginia and other governmental entities for the housing of prisoners in facilities operated by the Virginia Department of Corrections.

3. The Department of Corrections shall determine whether it may be possible to contract to house additional federal inmates or inmates from other states in space available within state correctional facilities. The department may, subject to the approval of the Governor, enter into such contracts, to the extent that sufficient bedspace may become available in state facilities for this purpose.

C. The Department of Corrections may enter into agreements with local and regional jails to house state-responsible offenders in such facilities and to effect transfers of convicted state felons between and among such jails. Such agreements shall be governed by the provisions of Item 67 of this act.

D. To the extent that the Department of Corrections privatizes food services, the department shall also seek to maximize agribusiness operations.

E. Notwithstanding the provisions of § 53.1-45, Code of Virginia, the Department of Corrections is authorized to sell on the open market and through the Virginia Farmers' Market Network any dairy, animal, or farm products of which the Commonwealth imports more than it exports.

F. It is the intention of the General Assembly that § 53.1-47, the Code of Virginia, concerning articles and services produced or manufactured by persons confined in state correctional facilities, shall be construed such that the term "manufactured" articles shall include "remanufactured" articles.

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G. Out of this appropriation, $921,040 the first year and $921,040 the second year from nongeneral funds is included for inmate medical costs. The sources of the nongeneral funds are an award from the State Criminal Alien Assistance Program, administered by the U.S. Department of Justice.

H.1. The Department of Corrections, in coordination with the Virginia Supreme Court, shall continue to operate a behavioral correction program. Offenders eligible for such a program shall be those offenders: (i) who have never been convicted of a violent felony as defined in § 17.1-805 of the Code of Virginia and who have never been convicted of a felony violation of §§ 18.2-248 and 18.2-248.1 of the Code of Virginia; (ii) for whom the sentencing guidelines developed by the Virginia Criminal Sentencing Commission would recommend a sentence of three years or more in facilities operated by the Department of Corrections; and (iii) whom the court determines require treatment for drug or alcohol substance abuse. For any such offender, the court may impose the appropriate sentence with the stipulation that the Department of Corrections place the offender in an intensive therapeutic community-style substance abuse treatment program as soon as possible after receiving the offender. Upon certification by the Department of Corrections that the offender has successfully completed such a program of a duration of 24 months or longer, the court may suspend the remainder of the sentence imposed by the court and order the offender released to supervised probation for a period specified by the court.

2. If an offender assigned to the program voluntarily withdraws from the program, is removed from the program by the Department of Corrections for intractable behavior, fails to participate in program activities, or fails to comply with the terms and conditions of the program, the Department of Corrections shall notify the court, outlining specific reasons for the removal and shall reassign the defendant to another incarceration assignment as appropriate. Under such terms, the offender shall serve out the balance of the sentence imposed by the court, as provided by law.

3. The Department of Corrections shall collect the data and develop the framework and processes that will enable it to conduct an in-depth evaluation of the program three years after it has been in operation. The department shall submit a report periodically on the program to the Chief Justice as he may require and shall submit a report on the implementation of the program and its usage to the Secretary of Public Safety and Homeland Security and the Chairmen of the House Appropriations and Senate Finance Committees by June 30 of each year.

I. Included in the appropriation for this Item is $250,000 the first year and $250,000 the second year from nongeneral funds for a culinary arts program in which inmates are trained to operate food service activities serving agency staff and the general public. The source of the funds shall be revenues generated by the program. Any revenues so generated by the program shall not be subject to § 4-2.02 of this act and shall be used by the agency for the costs of operating the program. The State Comptroller shall continue the Inmate Culinary Arts Training Program Fund in the Commonwealth Accounting and Reporting System to reflect the revenue and expenditures of this program.

J.1. The Department of Corrections shall continue to coordinate with the Department of Medical Assistance Services and the Department of Social Services to enroll eligible inmates in Medicaid. To the extent possible, the Department of Corrections shall work to identify potentially eligible inmates on a proactive basis, prior to the time inpatient hospitalization occurs. Procedures shall also include provisions for medical providers to bill the Department of Medical Assistance Services, rather than the Department of Corrections, for eligible inmate inpatient medical expenses. Due to the multiple payor sources associated with inpatient and outpatient health care services, the Department of Corrections and the Department of Medical Assistance Services shall consult with the applicable provider community to ensure that administrative burdens are minimized and payment for health care services is rendered in a prompt manner. The Departments of Medical Assistance Services and Corrections shall provide a joint report on the implementation of this initiative and the expected cost savings to the Commonwealth. Copies of this report shall be provided to the Secretaries of Health and Human Services and Public Safety, and to the Chairmen of the House Appropriations and Senate Finance Committees, by October 1, 2014.

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2. The Department of Medical Assistance Services shall modify state regulations and the state plan for medical assistance, if necessary, to permit the director of the Department of Corrections, or his designee, to sign the Medicaid application form for any inmate who refuses, or is unable, to sign for the purposes of Medicaid reimbursement for eligible inmates. The Department of Medical Assistance Services shall have the authority to implement these changes prior to the completion of any regulatory process undertaken to effect such change.

K. Federal funds received by the Department of Corrections from the federal Residential Substance Abuse Treatment Program shall be exempt from payment of statewide and agency indirect cost recoveries into the general fund.

L. Included in the appropriation for this item is funding for the first year and the second year from the general fund for six medical contract monitors. The persons filling these positions shall have the responsibility of closely monitoring the adequacy and quality of inmate medical services in those correctional facilities for which the department has contracted with a private vendor to provide inmate medical services.

M. The Department of Corrections shall continue to operate a separate program for inmates under 18 years old who have been tried and convicted as adults and committed to the Department of Corrections. This separation of these offenders from the general prison population is required by the requirements of the federal Prison Rape Elimination Act.

N. The property known as the Culpeper Juvenile Correctional Center shall be transferred to the Department of Corrections for operation as an adult correctional facility. The transfer shall be made in a form approved by the Attorney General. The appropriate officials of the Commonwealth shall prepare, execute, and deliver such documents as may be necessary to accomplish the transfer.

O. The amounts paid into the Corrections Special Reserve Fund established pursuant to § 30-19.1:4, Code of Virginia, shall be used in the first year to offset a portion of the budgeted amounts for the operation of secure correctional facilities.

P.1. The Department of Corrections shall develop and issue a Request for Information for the comprehensive management and provision of health care services for (i) all inmates confined at facilities not covered by the August 4, 2014, solicitation for health care management services, and (ii) all inmates confined at Department facilities statewide. This request for information shall focus on identifying health care management models that use the best practices and cost containment methods employed by Medicaid managed care organizations in delivering provider-managed and outcome-based comprehensive health care services. These services shall include consolidated management and operational responsibility for delivering all primary and specialty care, nursing, x-ray, dialysis, dental, medical supplies, laboratory services, and pharmaceuticals, as well as all off-site care, case management, and related services. Specific information shall be sought on 1) how existing state-funded managed care networks can be leveraged; 2) federal health care funding opportunities; 3) identifying state-of-the-art practices in care coordination and utilization review; and 4) identifying innovative correctional health care management systems being used or developed in other states. A report summarizing the responses to the Request for Information and estimating the potential long-term savings from the approaches identified in the responses shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees, the Secretary of Public Safety and Homeland Security, and the Department of Planning and Budget no later than October 1, 2015.

2. The Department shall provide to the Secretary of Public Safety and Homeland Security, the Directors of the Departments of Planning and Budget and Human Resources Management, and the Chairmen of the House Appropriations and Senate Finance Committees by July 1, 2016, a report assessing:

a. The costs, benefits, and administrative actions required to eliminate the Department's reliance on a private contractor for the delivery of inmate health care at multiple facilities, and to provide the same services internally using either state employees or individual contract medical personnel.

b. The costs, benefits, and administrative actions required to transition to a statewide health care management model that uses best practices and cost containment methods employed by

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prison health care management and Medicaid managed care organizations to deliver provider-managed and outcome-based comprehensive health care services through a single statewide contract for all of the Department's adult correctional centers.

c. A review of the Department's actual cost experience comparing the previous arrangement in which the contractor assumed full financial risk for the payment of off-site inpatient and outpatient services, and the current and proposed arrangement in which the Department assumes that risk and also receives any Medicaid reimbursement for such off-site expenses. For purposes of analyzing the first arrangement, it is assumed that the benefit of any Medicaid or other third-party reimbursement for hospital or other services would accrue to the contractor. This review shall also compare cost trends experienced by other states which have adopted these two arrangements.

d. A comparison of the costs and benefits of the Department's current management of inmate health care, including the model envisioned in its August 2014 Request for Proposals, to the alternative models the Department is directed to assess in subsections a, b, and c above.

e. The Department of Human Resources Management, the Department of Planning and Budget and other executive branch agencies shall provide technical assistance to the Department as needed.

Q. Out of the amounts appropriated for this item, $6,939,908 the second year from the general fund is provided for a $1,000 increase in the salaries for all correctional officers and all correctional officers senior who are employed at Department of Corrections facilities statewide, effective August 10, 2015. The $1,000 salary increase shall not be included for the purposes of calculating the two percent salary increase authorized in Item 467 of this act.

385.	Administrative and Support Services (39900)			$100,506,587	~~$101,568,441~~ *$102,001,774*
	General Management and Direction (39901)	$17,433,744	~~$17,533,744~~ *$18,267,077*		
	Information Technology Services (39902)	$34,884,230	$35,187,353		
	Accounting and Budgeting Services (39903)	$4,131,747	$4,244,940		
	Architectural and Engineering Services (39904)	$8,033,463	$8,066,848		
	Human Resources Services (39914)	$5,351,339	~~$5,751,339~~ *$5,451,339*		
	Planning and Evaluation Services (39916)	$658,701	$658,701		
	Procurement and Distribution Services (39918)	$13,733,838	$13,845,991		
	Training Academy (39929)	$7,237,908	$7,237,908		
	Offender Classification and Time Computation Services (39930)	$9,041,617	$9,041,617		
	Fund Sources: General	$91,496,708	~~$93,129,648~~ *$93,562,981*		
	Special	$8,859,879	$8,288,793		
	Dedicated Special Revenue	$150,000	$150,000		

Authority: §§ 53.1-1 and 53.1-10, Code of Virginia.

A.1. Any plan to modernize and integrate the automated systems of the Department of Corrections shall be based on developing the integrated system in phases, or modules. Furthermore, any such integrated system shall be designed to provide the department the data needed to evaluate its programs, including that data needed to measure recidivism.

2. The appropriation in this Item includes $5,509,879 the first year and $4,938,793 the second year from the Contract Prisoners Special Revenue Fund to defray a portion of the costs of maintaining and enhancing the offender management system, including the development of an electronic health records system. In addition to any general fund appropriations, the Department of Corrections may, subject to the authorization of the Director, Department of Planning and Budget, utilize additional revenue deposited in the Contract Prisoners Special Revenue Fund to support the development of the offender management system.

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B. Included in this appropriation is $550,000 the first year and $550,000 the second year from nongeneral funds to be used for installation and operating expenses of the telemedicine program operated by the Department of Corrections. The source of the funds is revenue from inmate fees collected for medical services.

C. Included in this appropriation is $2,800,000 the first year and $2,800,000 the second year from nongeneral funds to be used by the Department of Corrections for the operations of its Corrections Construction Unit. The State Comptroller shall continue the Corrections Construction Unit Special Operating Fund on the Commonwealth Accounting and Reporting System to reflect the activities of contracts between the Corrections Construction Unit and (i) institutions within the Department of Corrections for work not related to a capital project and (ii) agencies without the Department of Corrections for work performed for those agencies.

D. Notwithstanding the provisions of § 53.1-20 A. and B., Code of Virginia, the Director, Department of Corrections, shall receive offenders into the state correctional system from local and regional jails at such time as he determines that sufficient, secure and appropriate housing is available, placing a priority on receiving inmates diagnosed and being treated for HIV, mental illnesses requiring medication, or Hepatitis C. The director shall maximize, consistent with inmate and staff safety, the use of bed space in the state correctional system. The director shall report monthly to the Secretary of Public Safety and Homeland Security and the Department of Planning and Budget on the number of inmates housed in the state correctional system, the number of inmate beds available, and the number of offenders housed in local and regional jails that meet the criteria set out in § 53.1-20 A. and B.

E. The Department of Corrections is exempted from the approval requirements of Chapter 11 of the Construction and Professional Services Manual as issued by the Division of Engineering and Buildings. The Department of Corrections may authorize and initiate design-build contracts as deemed appropriate by the Director, Department of Corrections, in accordance with §§ 2.2-4301 and 2.2-4306, Code of Virginia.

F. Notwithstanding any requirement to the contrary, any building, fixture, or structure to be placed, erected or constructed on, or removed or demolished from the property of the Commonwealth of Virginia under the control of the Department of Corrections shall not be subject to review and approval by the Art and Architectural Review Board as contemplated by § 2.2-2402, Code of Virginia. However, if the Department of Corrections seeks to construct a facility that is not a secure correctional facility or a structure located on the property of a secure correctional facility, then the Department of Corrections shall submit that structure to the Art and Architectural Review Board for review and approval by that board. Such other structures could include probation and parole district offices or regional offices.

G. The Commonwealth of Virginia shall convey 45 acres (more or less) of property, being a portion of Culpeper County Tax Map No. 75, parcel 32, lying in the Cedar Mountain Magisterial District of Culpeper County, Virginia, in consideration of the County's construction of water capacity and service line(s) adequate to serve the needs of the Department of Corrections' Coffeewood Facility and the Department of Juvenile Justice's Culpeper Juvenile Correctional Facility (hereinafter "the facilities"). The cost of the water improvements necessary to serve the facilities, including an eight-inch water service line, and including engineering and land/easement acquisition costs, shall be paid by the Commonwealth, less and except (i) the value of the property for the jail conveyed by the Commonwealth to the County ($150,382, based on valuation by the Culpeper County Assessor), and (ii) the cost of increasing the size of the water service line from eight inches to twelve inches, in order to accommodate planned county needs.

H. Notwithstanding the provisions of § 58.1-3403, Code of Virginia, the Department of Corrections shall be exempt from the payment of service charges levied in lieu of taxes by any county, city, or town.

I. The Department of Corrections shall serve as the Federal Bonding Coordinator and shall work with the Virginia Community College System and its workforce development programs and services to provide fidelity bonds to those offenders released from jails or state correctional centers who are required to provide fidelity bonds as a condition of employment. The department is authorized to use funds from the Contract Prisoners Special Revenue Fund to pay the costs of this activity.

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J. In the event the Department of Corrections closes a correctional facility for which it has entered into an agreement with any locality to pay a proportionate share of the debt service for the establishment of utilities to serve the facility, the department shall continue to pay its agreed upon share of the debt service, subject to the schedule previously agreed upon.

K. Included in the appropriation for this Item is $566,663 the first year from the general fund for the estimated net increase in the operating cost of adult correctional facilities resulting from the enactment of sentencing legislation as listed below. This amount shall be paid into the Corrections Special Reserve Fund, established pursuant to § 30-19.1:4, Code of Virginia.

a. Senate Bill 14.....$50,000

b. Senate Bill 65 and

House Bill 810.....$50,000

c. Senate Bill 454 and

House Bill 235.....$50,000

d. Senate Bill 476.....$50,000

e. Senate Bill 594 and

House Bill 1112.....$66,663

f. House Bill 567.....$50,000

g. House Bill 575.....$50,000

h. House Bill 708.....$50,000

i. House Bill 972.....$50,000

j. House Bill 976 $50,000

k. House Bill 1251.....$50,000.

L. Out of the appropriation for this Item, $142,644 the first year and $142,644 the second year from the general fund is continued for the ongoing financing costs of purchasing a generator for Deep Meadow Correctional Center through the state's master equipment lease purchase program.

M. From the appropriation in this Item, $500,000 the first year and $500,000 the second year from the general fund shall be used to present seminars on overcoming obstacles to re-entry and to promote family integration in the correctional centers designated for intensive re-entry programs. The department shall submit a report by October 15 of each year to the chairmen of the House Appropriations and Senate Finance Committees, the Secretary of Public Safety and Homeland Security, and the Department of Planning and Budget on the use of this funding.

N. Included in the appropriation for this Item is $500,000 the second year from the general fund and six positions to enable the agency to bolster its recruitment efforts of medical professionals and to strengthen the coordination and administration of medical services for inmates.

O. Included in the appropriation for this Item is $600,000 the second year from the general fund for the estimated net increase in the operating cost of adult correctional facilities resulting from the enactment of sentencing legislation as listed below. This amount shall be paid into the Corrections Special Reserve Fund, established pursuant to § 30-19.1:4, Code of Virginia.

1. House Bill 1493 -- $50,000

2. House Bill 1702 -- $50,000

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3. House Bill 1807 and Senate Bill 1231 -- $50,000				
4. House Bill 1839 -- $50,000				
5. House Bill 1964 and Senate Bill 1188 -- $200,000				
6. House Bill 2040 -- $50,000				
7. House Bill 2070 and Senate Bill 1424 -- $50,000				
8. House Bill 2385 -- $50,000				
9. Senate Bill 1056 -- $50,000				
P. No funding appropriated in this act for the Department of Corrections shall be used to distribute or make available to prisoners incarcerated in state correctional facilities obscene materials, as defined in Article 5 (§ 18.2-372 et seq.) of Chapter 8 of Title 18.2.				
Q. The Department of Corrections is authorized to use funds from the amounts paid into the Corrections Special Reserve Fund pursuant to paragraph O. of Item 385 to conduct a preplanning study relating to replacement of the Powhatan Correctional Center.				
R. Included in the appropriation for this Item is $833,333 the second year from the general fund for the cost of security technology and hardware for the inmate telephone system.				
Total for Department of Corrections			**$1,145,584,240**	~~**$1,172,974,239**~~ ***$1,173,858,485***
General Fund Positions	12,607.50	~~12,623.50~~ *12,648.50*		
Nongeneral Fund Positions	240.50	240.50		
Position Level	12,848.00	~~12,864.00~~ *12,889.00*		
Fund Sources: General	$1,073,216,829	~~$1,101,177,914~~ *$1,102,062,160*		
Special	$68,055,714	$67,484,628		
Dedicated Special Revenue	$2,480,379	$2,480,379		
Federal Trust	$1,831,318	$1,831,318		

§ 1-28. DEPARTMENT OF CRIMINAL JUSTICE SERVICES (140)

386.	Not set out.				
387.	Not set out.				
388.	Not set out.				
389.	Financial Assistance for Administration of Justice Services (39000)			$79,010,071	~~$79,060,071~~ *$79,088,711*
	Financial Assistance for Administration of Justice Services (39001)	$79,010,071	~~$79,060,071~~ *$79,088,711*		
	Fund Sources: General	$35,922,292	~~$35,972,292~~ *$36,000,932*		
	Special	$100,000	$100,000		
	Trust and Agency	$10,000,000	$10,000,000		
	Dedicated Special Revenue	$11,487,779	$11,487,779		
	Federal Trust	$21,500,000	$21,500,000		
	Authority: Title 9.1, Chapter 1, Code of Virginia.				
	A.1. This appropriation includes an estimated $12,000,000 the first year and an estimated $12,000,000 the second year from federal funds pursuant to the Omnibus Crime Control Act of 1968, as amended. Of these amounts, nine percent is available for administration, and the				

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remainder is available for grants to state agencies and local units of government. The remaining federal funds are to be passed through as grants to localities, with a required 25 percent local match. Also included in this appropriation is $729,930 the first year and $729,930 the second year from the general fund for the required matching funds for state agencies.

2. The Department of Criminal Justice Services shall provide a summary report on federal anti-crime and related grants which will require state general funds for matching purposes during FY 2013 and beyond. The report shall include a list of each grant and grantee, the purpose of the grant, and the amount of federal and state funds recommended, organized by topical area and fiscal period. The report shall indicate whether each grant represents a new program or a renewal of an existing grant. Copies of this report shall be provided to the Chairmen of the Senate Finance and House Appropriations Committees by January 1 of each year.

B. The Department of Criminal Justice Services is authorized to make grants and provide technical assistance out of this appropriation to state agencies, local governments, regional, and nonprofit organizations for the establishment and operation of programs for the following purposes and up to the amounts specified:

1.a. Regional training academies for criminal justice training, $496,546 the first year and $496,546 the second year from the general fund and an estimated $1,649,315 the first year and an estimated $1,649,315 the second year from nongeneral funds. The Criminal Justice Services Board shall adopt such rules as may reasonably be required for the distribution of funds and for the establishment, operation and service boundaries of state-supported regional criminal justice training academies.

b. The Board of Criminal Justice Services, consistent with § 9.1-102, Code of Virginia, and § 6VAC-20-20-61 of the Administrative Code, shall not approve or provide funding for the establishment of any new criminal justice training academy from July 1, 2014, through June 30, 2016.

2. Virginia Crime Victim-Witness Fund, $5,124,059 the first year and $5,124,059 the second year from dedicated special revenue, and $2,635,000 the first year and $2,635,000 the second year from the general fund. The Department of Criminal Justice Services shall provide a report on the current and projected status of federal, state and local funding for victim-witness programs supported by the Fund. Copies of the report shall be provided annually to the Secretary of Public Safety and Homeland Security, the Department of Planning and Budget, and the Chairmen of the Senate Finance and House Appropriations Committees by October 16 of each year.

3.a. Court Appointed Special Advocate (CASA) programs, $1,176,179 the first year and $1,176,179 the second year from the general fund.

b. In the event that the federal government reduces or removes support for the CASA programs, the Governor is authorized to provide offsetting funding for those impacted programs out of the unappropriated balances in this Act.

4. Domestic Violence Fund, $3,000,000 the first year and $3,000,000 the second year from the dedicated special revenue fund to provide grants to local programs and prosecutors that provide services to victims of domestic violence.

5. Offender Reentry and Transition Services (ORTS), $2,286,144 the first year and $2,286,144 the second year from general fund to support pre and post incarceration professional services and guidance that increase the opportunity for, and the likelihood of, successful reintegration into the community by adult offenders upon release from prisons and jails.

6. To the Department of Behavioral Health and Developmental Services for the following activities and programs: (i) a partnership program between a local community services board and the district probation and parole office for a jail diversion program; (ii) forensic discharge planners; (iii) advanced training on veterans' issues to local crisis intervention teams; and (iv) cross systems mapping targeting juvenile justice and behavioral health.

7. To the Department of Corrections for the following activities and programs: (i)

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community residential re-entry programs for female offenders; (ii) establishment of a pilot day reporting center; and (iii) establishment of a pilot program whereby non-violent state offenders would be housed in a local or regional jail, rather than a prison or other state correctional facility, with rehabilitative services provided by the jail.

8. To Drive to Work, $75,000 the first year and $75,000 the second year from such federal funds as may be available to provide assistance to low income and previously incarcerated persons to restore their driving privileges so they can drive to work and keep a job.

C.1. Out of this appropriation, $23,817,037 the first year and $23,817,037 the second year from the general fund is authorized to make discretionary grants and to provide technical assistance to cities, counties or combinations thereof to develop, implement, operate and evaluate programs, services and facilities established pursuant to the Comprehensive Community Corrections Act for Local-Responsible Offenders (§ 53.1-182.1, Code of Virginia) and the Pretrial Services Act (§ 19.2-152.4, Code of Virginia). Out of these amounts, the Director, Department of Criminal Justice Services, is authorized to expend no more than five percent per year for state administration of these programs.

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

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

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

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

F.1. Out of this appropriation, $1,700,000 the first year and $1,700,000 the second year from the general fund and $1,710,000 the first year and $1,710,000 the second year from such federal funds as are available shall be deposited to the School Resource Officer Incentive Grants Fund established pursuant to § 9.1-110, Code of Virginia.

2. The Director, Department of Criminal Justice Services, is authorized to expend $357,285 the first year and $357,285 the second year from the School Resource Officer Incentive Grants Fund to operate the Virginia Center for School Safety, pursuant to § 9.1-110, Code of Virginia.

3. Subject to the development of criteria for the distribution of grants from the fund, including procedures for the application process and the determination of the actual amount of any grant issued by the department, the department shall award grants to either local law-enforcement agencies, where such local law-enforcement agencies and local school boards have established a collaborative agreement for the employment of school resource officers, as such positions are defined in § 9.1-101, Code of Virginia, for the employment of school resource officers, or to local school divisions for the employment of school security officers, as such positions are defined in § 9.1-101, Code of Virginia, for the employment of school security officers in any public school. The application process shall provide for the selection of either school resource officers, school security officers, or both by localities. The department shall give priority to localities requesting school resource officers, school security

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officers, or both where no such personnel are currently in place. Localities shall match these funds based on the composite index of local ability-to-pay.

4. Pursuant to the adoption of House Bills 2344 and 2345 by the 2013 Session of the General Assembly, included in this appropriation is $202,300 the first year and $202,300 the second year from the general fund for the development of a model critical incident response training program for public school personnel and others providing services to public schools, and the development of a model policy for the establishment of threat assessment teams for each public school, including procedures for the assessment of and intervention with students whose behavior poses a threat to the safety of public school staff or other students.

G. Included in the amounts appropriated in this Item is $382,500 the first year and $382,500 the second year from the general fund for grants to local sexual assault crisis centers (SACCs) to provide core and comprehensive services to victims of sexual violence.

H.1. Out of the amounts appropriated for this Item, $1,100,000 the first year and $1,100,000 the second year from nongeneral funds is provided, to be distributed as follows: for the Southern Virginia Internet Crimes Against Children Task Force, $600,000 the first year and $600,000 the second year; and, for the creation of a grant program to law enforcement agencies for the prevention of internet crimes against children, $500,000 the first year and $500,000 the second year.

2. The Southern Virginia and Northern Virginia Internet Crimes Against Children Task Forces shall each provide an annual report, in a format specified by the Department of Criminal Justice Services, on their actual expenditures and performance results. Copies of these reports shall be provided to the Secretary of Public Safety and Homeland Security, the Chairmen of the Senate Finance and House Appropriations Committees, and Director, Department of Planning and Budget prior to the distribution of these funds each year.

3. Subject to compliance with the reports and distribution thereof as required in paragraph 2 above and notwithstanding the provisions of paragraph AA. of § 3-1.01 in Part 3 of this act, the Governor shall allocate all additional funding, not to exceed actual collections, for the prevention of Internet Crimes Against Children as contained in this item; paragraph E. of Item 339 of this act; and, Item 414 of this act, pursuant to § 17.1-275.12, Code of Virginia.

I. The Department of Criminal Justice Services shall publish and disseminate a model policy for law-enforcement personnel involved in criminal investigations or assigned to vehicle or street patrol duties to ensure that law-enforcement personnel are aware of human trafficking offenses and the identification of victims of human trafficking.

J. Out of the amounts appropriated for this item, $50,000 the second year from the general fund is provided for training to local law enforcement to aid in their identifying and interacting with individuals suffering from Alzheimer's and/or dementia.

390. Not set out.

391. Not set out.

392. Not set out.

Total for Department of Criminal Justice Services...			**$265,164,553**	**~~$265,295,930~~** ***$265,324,570***
General Fund Positions	48.50	48.50		
Nongeneral Fund Positions	68.50	68.50		
Position Level	117.00	117.00		
Fund Sources: General	$211,603,531	~~$211,713,192~~ *$211,741,832*		
Special	$10,572,592	$10,587,783		
Trust and Agency	$10,000,000	$10,000,000		
Dedicated Special Revenue	$11,487,779	$11,487,779		

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	Federal Trust	$21,500,651	$21,507,176		
393.	Not set out.				
394.	Not set out.				
395.	Not set out.				
396.	Not set out.				
397.	Not set out.				

§ 1-29. DEPARTMENT OF FIRE PROGRAMS (960)

398.	Fire Training and Technical Support Services (74400)			$7,507,398	~~$7,507,398~~ *$7,622,733*
	Fire Services Management and Coordination (74401)	$2,698,093	~~$2,698,093~~ *$2,813,428*		
	Virginia Fire Services Research (74402)	$302,274	$302,274		
	Fire Services Training and Professional Development (74403)	$2,173,775	$2,173,775		
	Technical Assistance and Consultation Services (74404)	$2,128,643	$2,128,643		
	Emergency Operational Response Services (74405)	$15,000	$15,000		
	Public Fire and Life Safety Educational Services (74406)	$189,613	$189,613		
	Fund Sources: Special	$7,507,398	~~$7,507,398~~ *$7,622,733*		
	Authority: Title 9.1, Chapter 2 and § 38.2-401, Code of Virginia.				
	Notwithstanding the provisions of § 38.2-401, Code of Virginia, up to 25 percent of the revenue available from the Fire Programs Fund, after making the distributions set out in § 38.2-401 D, Code of Virginia, may be used by the Department of Fire Programs to pay for the administrative costs of all activities assigned to it by law.				
399.	Not set out.				
400.	Regulation of Structure Safety (56200)			$2,910,209	~~$2,930,222~~ *$3,007,112*
	State Fire Prevention Code Administration (56203)	$2,910,209	~~$2,930,222~~ *$3,007,112*		
	Fund Sources: General	$2,368,475	~~$2,370,100~~ *$2,446,990*		
	Special	$541,734	$560,122		
	Authority: §§ 9.1-201, 9.1-206, and 27-94 through 27-99, Code of Virginia.				
	The State Fire Marshal may charge no fee for any permits or inspections of any school, whether it be public or private.				
	Total for Department of Fire Programs			**$40,242,607**	~~**$40,262,620**~~ ***$40,454,845***
	General Fund Positions	29.00	29.00		
	Nongeneral Fund Positions	43.00	43.00		
	Position Level	72.00	72.00		
	Fund Sources: General	$2,368,475	~~$2,370,100~~ *$2,446,990*		
	Special	$37,624,132	~~$37,642,520~~ *$37,757,855*		
	Federal Trust	$250,000	$250,000		

ITEM 400.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
§ 1-30. DEPARTMENT OF FORENSIC SCIENCE (778)				
401. Law Enforcement Scientific Support Services (30900)			$40,822,427	~~$41,457,793~~ *$41,732,890*
Biological Analysis Services (30901)	$11,621,964	~~$12,041,552~~ *$12,316,649*		
Chemical Analysis Services (30902)	$11,839,163	$11,901,323		
Physical Evidence Services (30904)	$7,549,843	$7,637,843		
Training and Standards Services (30905)	$1,564,380	$1,564,380		
Administrative Services (30906)	$8,247,077	$8,312,695		
Fund Sources: General	$38,315,431	~~$38,950,797~~ *$39,225,894*		
Federal Trust	$2,506,996	$2,506,996		

Authority: §§ 9.1-1100 through 9.1-1113, Code of Virginia.

A. Notwithstanding the provisions of § 58.1-3403, Code of Virginia, the Department of Forensic Science shall be exempt from the payment of service charges levied in lieu of taxes by any county, city, or town.

B.1. The Forensic Science Board shall ensure that all individuals who were convicted due to criminal investigations, for which its case files for the years between 1973 and 1988 were found to contain evidence possibly suitable for DNA testing, are informed that such evidence exists and is available for testing. To effectuate this requirement, the Board shall prepare two form letters, one sent to each person whose evidence was tested, and one sent to each person whose evidence was not tested. Copies of each such letter shall be sent to the Chairman of the Forensic Science Board and to the respective Chairmen of the House and Senate Committees for Courts of Justice. The Department of Corrections shall assist the board in effectuating this requirement by providing the addresses for all such persons to whom letters shall be sent, whether currently incarcerated, on probation, or on parole. In cases where the current address of the person cannot be ascertained, the Department of Corrections shall provide the last known address. The Chairman of the Forensic Science Board shall report on the progress of this notification process at each meeting of the Forensic Science Board.

2. Upon a request pursuant to the Virginia Freedom of Information Act for a certificate of analysis that has been issued in connection with the Post Conviction DNA Testing Program and that reflects that a convicted person's DNA profile was not indicated on items of evidence tested, the Department of Forensic Science shall make available for inspection and copying such requested record after all personal and identifying information about the victims, their family members, and consensual partners has been redacted, except where disclosure of the information contained therein is expressly prohibited by law or the Commonwealth's Attorney to whom the certificate was issued states that the certificate is critical to an ongoing active investigation and that disclosure jeopardizes the investigation.

Total for Department of Forensic Science			**$40,822,427**	~~**$41,457,793**~~ ***$41,732,890***
General Fund Positions	310.00	310.00		
Position Level	310.00	310.00		
Fund Sources: General	$38,315,431	~~$38,950,797~~ *$39,225,894*		
Federal Trust	$2,506,996	$2,506,996		

§ 1-31. DEPARTMENT OF JUVENILE JUSTICE (777)

402. Not set out.

403. Not set out.

404. Not set out.

ITEM 404.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
405.	Not set out.				
406.	Operation of Secure Correctional Facilities (39800)			$64,237,223	$64,702,254
	Juvenile Corrections Center Management (39801)	$6,346,582	$6,346,582		
	Food Services - Prisons (39807)	$6,160,580	$6,160,580		
	Medical and Clinical Services - Prisons (39810)	$8,469,324	$8,469,324		
	Physical Plant Services - Prisons (39815)	$7,986,917	$7,986,917		
	Offender Classification and Time Computation Services (39830)	$1,357,130	$1,357,130		
	Juvenile Supervision and Management Services (39831)	$24,030,587	$24,495,618		
	Juvenile Rehabilitation and Treatment Services (39832)	$9,886,103	$9,886,103		
	Fund Sources: General	$60,641,799	$61,106,830		
	Special	$2,092,691	$2,092,691		
	Dedicated Special Revenue	$48,000	$48,000		
	Federal Trust	$1,454,733	$1,454,733		

Authority: §§ 16.1-278.8, 16.1-285.1, 66-13, 66-16, 66-18, 66-19, 66-22 and 66-25.1, Code of Virginia.

A. The Department of Juvenile Justice shall retain all funds paid for the support of children committed to the department to be used for the security, care, and treatment of said children.

B. The Director, Department of Juvenile Justice, in response to the continuing downward trend of the juvenile population and requirements imposed by the federal government, is directed to implement the downsizing and repurposing of its juvenile facilities. It is anticipated that by relocating the juveniles at the Culpeper Juvenile Correctional Center, the agency will be able to increase the efficiency and effectiveness of its operations and enhance the services provided to juveniles committed to state facilities in the areas of education, re-entry, mental health treatment, health services, and various other programmatic areas.

C. Included in the appropriation for this Item is $3,906,720 and 72 juvenile correctional officer positions in the second year from the general fund to meet requirements of the Prison Rape Elimination Act (PREA).

D.1. The Director, Department of Juvenile Justice, (the "Department") shall develop a transformation plan to provide more effective and efficient services for juveniles, using data-based decision-making, that improves outcomes, including reduced recidivism, and to reduce the number of juveniles housed in state-operated juvenile correctional centers, consistent with public safety. Prior to implementation, the plan shall be approved by the Secretary of Public Safety and Homeland Security. A progress report on actions taken and additional recommendations under consideration shall be provided no later than June 30, 2016 to the Director of the Department of Planning and Budget, the Chairman of the Virginia Commission on Youth, and the Chairmen of the House Appropriations and Senate Finance Committees.

2. To accomplish these objectives, the Department will provide, when appropriate, alternative placements and services for juveniles committed to the Department that offer treatment, supervision and programs that meet the levels of risk and need, as identified by the Department's risk and needs assessment instruments, for each juvenile placed in such placements or programs.

3. The Department shall reallocate any savings from the reduced cost of operating state juvenile correctional centers to support the goals of the transformation plan including, but not limited to: (a) increasing the number of male and female local placement options, and post-dispositional treatment programs and services; (b) ensuring that appropriate placements and treatment programs are available across all regions of the Commonwealth; and (c) providing appropriate levels of educational, career readiness, rehabilitative, and mental health services for these juveniles in state, regional, or local programs and facilities, including but not limited to, community placement programs, independent living programs, and group homes. The goals of such transformation services shall be to reduce the risks for

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reoffending for juveniles supervised or committed to the Department and to improve and promote the skills and resiliencies necessary for the juveniles to lead successful lives in their communities.				
4. The Director, Department of Planning and Budget, is authorized to transfer appropriations between items and programs within the Department of Juvenile Justice to reallocate any savings achieved through transformation to accomplish the goals of transformation.				
407. Not set out.				
Total for Department of Juvenile Justice			**$206,627,222**	**$206,924,974**
General Fund Positions	2,149.50	2,149.50		
Nongeneral Fund Positions	21.00	21.00		
Position Level	2,170.50	2,170.50		
Fund Sources: General	$196,447,317	$196,743,693		
Special	$3,442,366	$3,443,742		
Dedicated Special Revenue	$48,000	$48,000		
Federal Trust	$6,689,539	$6,689,539		
408. Not set out.				
409. Not set out.				
410. Not set out.				
411. Not set out.				
412. Not set out.				
413. Not set out.				
414. Not set out.				
415. Not set out.				
416. Not set out.				
417. Not set out.				
TOTAL FOR OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY			**$2,735,442,327**	**~~$2,816,146,443~~** ***$2,817,837,651***
General Fund Positions	17,809.82	~~17,828.82~~ *17,853.82*		
Nongeneral Fund Positions	2,308.18	2,334.18		
Position Level	20,118.00	~~20,163.00~~ *20,188.00*		
Fund Sources: General	$1,790,976,868	~~$1,821,269,030~~ *$1,822,533,903*		
Special	$159,521,838	~~$156,230,410~~ *$156,345,745*		
Commonwealth Transportation	$9,337,444	$9,337,444		
Enterprise	$597,331,789	~~$651,275,793~~ *$651,586,793*		
Trust and Agency	$10,020,000	$10,020,000		
Dedicated Special Revenue	$27,963,975	$28,663,975		
Federal Trust	$140,290,413	$139,349,791		

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	OFFICE OF TECHNOLOGY				
418.	Not set out.				
419.	Not set out.				
	§ 1-32. VIRGINIA INFORMATION TECHNOLOGIES AGENCY (136)				
420.	Not set out.				
421.	Not set out.				
422.	Not set out.				
423.	Not set out.				
424.	Not set out.				
425.	Administrative and Support Services (89900)			$30,895,672	$30,124,976
	General Management and Direction (89901)	$19,072,819	$19,433,483		
	Accounting and Budgeting Services (89903)	$6,120,553	$5,108,442		
	Human Resources Services (89914)	$415,737	$286,047		
	Procurement and Contracting Services (89918)	$3,204,240	$3,216,049		
	Audit Services (89931)	$277,948	$275,948		
	Web Development and Support Services (89940)	$1,804,375	$1,805,007		
	Fund Sources: Special	$7,778,099	$7,243,005		
	Internal Service	$23,117,573	$22,881,971		

Authority: Title 2.2, Chapter 20.1, Code of Virginia.

A.1. Out of this appropriation, $23,117,573 the first year and $23,215,967 the second year for Administrative and Support Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from charges to other programs within this agency.

2. In accordance with § 2.2-2013 D., Code of Virginia, the surcharge rate used to fund expenses for operations and staff of services administered by VITA shall be no more than 8.26% the first year and 7.91% the second year.

3. Included in the amounts for Administrative and Support Services are funds from the Acquisition Services Special Fund which is paid solely from receipts from vendor information technology contracts. These funds will be used to finance procurement and contracting activities and costs unallowable for federal fund reimbursement.

B. The provisions of Title 2.2, Chapter 20.1 of the Code of Virginia shall not apply to the Virginia Port Authority.

C. The requirement that the Department of Behavioral Health and Developmental Services purchase information technology equipment or services from the Virginia Information Technologies Agency (VITA) according to the provisions of Chapters 981 and 1021 of the Acts of Assembly of 2003 shall not adversely impact the provision of services to mentally disabled clients.

D. The Chief Information Officer and the Secretary of Technology shall provide the Governor and the Chairmen of the Senate Finance and House Appropriations Committees with a report detailing any amendments or modifications to the comprehensive infrastructure agreement. The report shall include statements describing the fiscal impact of such amendments or modifications and shall be submitted within 30 days following the signing of any amended agreement.

E. An annual assessment of the VITA organization and in-scope information technology and telecommunications costs will be provided to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by September 15 of each year. This assessment should (i) include a review of agency productivity, efficiency, and effectiveness,

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(ii) identify opportunities to reduce the number of retained employees, (iii) establish and update standards for hardware, such as the number of printers per employees and using docking stations instead of laptops and desktops, and (iv) offer options for decreasing agency overhead costs.				
F. The Chief Information Officer shall provide the Governor and the Chairmen of the Senate Finance and House Appropriations Committees no later than December 1, each year, an update to the December 1, 2013, assessment of the comprehensive infrastructure agreement. The updated assessment shall (i) include a detailed overview of all in-scope agency infrastructure transition timelines and costs, including untransformed agencies; (ii) describe all efforts undertaken to ensure the market competitiveness of the fees paid by the Commonwealth to Northrop Grumman; (iii) assess whether the financial and contractual terms of the comprehensive agreement ensure that the Commonwealth's needs are met, including whether any modifications thereto are required; and (iv) identify options available to the Commonwealth at the expiry of the current agreement including any anticipated steps required to plan for its expiration.				
G.1. From the amounts appropriated in this Item, $1,000,000 the second year from the internal service fund shall be allocated to develop an information technology (IT) sourcing strategy for contract transition in preparation for the expiration of the IT contract with Northrop Grumman.				
2. From the amounts appropriated in this Item, $1,150,235 the first year and $600,000 the second year from the Acquisitions Services Special Fund shall be allocated to develop an information technology sourcing strategy for contract transition in preparation for the expiration of the IT contract with Northrop Grumman.				
H. From the amounts appropriated in this Item, $1,721,245 the first year and $721,624 the second year from the internal service fund shall be allocated to implement a new telecommunications expense management (TEM) and billing solution system.				
426. Not set out.				
Total for Virginia Information Technologies Agency			**$382,316,627**	**$386,196,939**
General Fund Positions	26.00	26.00		
Nongeneral Fund Positions	245.00	~~244.00~~ *243.00*		
Position Level	271.00	~~270.00~~ *269.00*		
Fund Sources: General	$2,183,330	$2,184,211		
Special	$7,778,099	$7,361,363		
Internal Service	$347,077,163	$349,824,751		
Dedicated Special Revenue	$24,845,942	$26,826,614		
Federal Trust	$432,093	$0		
TOTAL FOR OFFICE OF TECHNOLOGY			**$391,343,482**	**$394,946,075**
General Fund Positions	31.00	31.00		
Nongeneral Fund Positions	245.00	~~244.00~~ *243.00*		
Position Level	276.00	~~275.00~~ *274.00*		
Fund Sources: General	$11,210,185	$10,933,347		
Special	$7,778,099	$7,361,363		
Internal Service	$347,077,163	$349,824,751		
Dedicated Special Revenue	$24,845,942	$26,826,614		
Federal Trust	$432,093	$0		

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OFFICE OF TRANSPORTATION

427. Not set out.

428. Not set out.

429. Not set out.

430. Not set out.

431. Not set out.

432. Not set out.

§ 1-33. DEPARTMENT OF MOTOR VEHICLES (154)

433.	Ground Transportation Regulation (60100)			$166,482,775	$171,109,999
	Customer Service Centers Operations (60101)	$113,794,989	$117,592,443		
	Ground Transportation Regulation and Enforcement (60103)	$39,974,662	$40,486,684		
	Motor Carrier Regulation Services (60105)	$12,713,124	$13,030,872		
	Fund Sources: Commonwealth Transportation	$158,386,175	$163,313,399		
	Trust and Agency	$6,096,600	$5,796,600		
	Federal Trust	$2,000,000	$2,000,000		

Authority: Title 46.2, Chapters 1, 2, 3, 6, 8, 10, 12, 15, 16, and 17; §§ 18.2-266 through 18.2-272; Title 58.1, Chapters 21 and 24, Code of Virginia. Title 33, Chapter 4, United States Code.

A. The Commissioner, Department of Motor Vehicles, is authorized to establish, where feasible and cost efficient, contracts with private/public partnerships with commercial operations, to provide for simplification and streamlining of service to citizens through electronic means. Provided, however, that such commercial operations shall not be entitled to compensation as established under § 46.2-205, Code of Virginia, but rather at rates limited to those established by the commissioner.

B. The Department of Motor Vehicles shall work to increase the use of alternative service delivery methods. As part of its effort to shift customers to internet usage where applicable, the department shall not charge its customers for the use of credit cards for internet or other types of transactions.

C. In order to provide citizens of the Commonwealth greater access to the Department of Motor Vehicles, the agency is authorized to enter into an agreement with any local constitutional officer or combination of officers to act as a license agent for the department, with the consent of the chief administrative officer of the constitutional officer's county or city, and to negotiate a separate compensation schedule for such office other than the schedule set out in § 46.2-205, Code of Virginia. Notwithstanding any other provision of law, any compensation due to a constitutional officer serving as a license agent shall be remitted by the department to the officer's county or city on a monthly basis, and not less than 80 percent of the sums so remitted shall be appropriated by such county or city to the office of the constitutional officer to compensate such officer for the additional work involved with processing transactions for the department. Funds appropriated to the constitutional office for such work shall not be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law.

D. The base compensation for DMV Select Agents shall be set at 4.5 percent of gross collections for the first $500,000 and 5.0 percent of all gross collections in excess of $500,000 made by the entity during each fiscal year on such taxes and fees in place as a matter of law . The commissioner shall supply the agents with all necessary agency forms to provide services to the public, and shall cause to be paid all freight and postage, but shall not be responsible for any extra clerk hire or other business-related expenses or business equipment expenses occasioned by their duties.

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E. Out of the amounts identified in this Item, $299,991 the first year and $299,991 the second year from the Commonwealth Transportation Fund shall be paid to the Washington Metropolitan Area Transit Commission.

F.1. Notwithstanding any other provision of law, the department shall assess a minimum fee of $10 for all replacement and supplemental titles. The revenue generated from this fee shall be set aside to meet the expenses of the department.

2. Notwithstanding any other provision of law, the department shall assess a $10 late fee on all registration renewal transactions that occur after the expiration date. The late fee shall not apply to those exceptions granted under § 46.2-221.4, Code of Virginia. In assessing the late renewal fee the department shall provide a ten day grace period for transactions conducted by mail to allow for administrative processing. This grace period shall not apply to registration renewals for vehicles registered under the International Registration Plan. The revenue generated from this fee shall be set aside to meet the expenses of the department.

3. Notwithstanding any other provision of law, the department shall establish a $20 minimum fee for original driver's licenses and replacements. The revenue generated from this fee shall be set aside to meet the expenses of the department.

G. The Department of Motor Vehicles is hereby granted approval to renew or extend existing capital leases due to expire during the current biennium for existing customer service centers.

H. The Department of Motor Vehicles is hereby appropriated revenues from the additional sales tax on fuel in certain transportation districts to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § 58.1-2295, Code of Virginia.

I. The Commissioner of the Department of Motor Vehicles, in consultation with the Commissioner of Highways, shall take such steps as may be necessary to expand access to the E-ZPass program through its customer service channels using such locations and methods as are practicable.

J. The Commissioner of the Department of Motor Vehicles, in consultation with the Commissioner of Highways, shall report on the feasibility and advisability of entering into reciprocal agreements with other states for the purpose of toll enforcement. Such report shall be made to the Chairmen of the House Appropriations, Senate Finance, and House and Senate Transportation Committees no later than December 1, 2014.

K. Included in the amounts for this item is $650,000 in the first year and $350,000 in the second year to support the start-up and on-going costs associated with the regulation of Transportation Network Companies in Virginia pursuant to the provisions of House Bill 1662, 2015 Session of the General Assembly.

L. Notwithstanding the provisions of Chapter 21 of Title 46.2, the Commissioner of the Department of Motor Vehicles shall be authorized to grant temporary authority to a motor carrier to transport property for compensation on an intrastate basis utilizing a digital platform that connects persons seeking a property transportation service with persons authorized by the motor carrier to transport property. Such temporary authority shall be subject to such reasonable conditions as the Commissioner may impose, and shall be valid only for passenger cars and pickup or panel trucks, as those terms are defined in § 46.2-100, which vehicles shall not be required to be issued for-hire license plates under § 46.2-711. Such temporary authority, unless suspended or revoked, shall be valid for such time as the Department shall specify, but such authority shall not extend beyond 130 days following the adjournment of the next regular session of the General Assembly and shall create no presumption that corresponding permanent authority will be granted thereafter.

434. Not set out.

435. Not set out.

Total for Department of Motor Vehicles.....	**$237,026,954**	**$244,236,208**

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	Nongeneral Fund Positions	2,038.00	2,038.00		
	Position Level	2,038.00	2,038.00		
	Fund Sources: Commonwealth Transportation	$224,961,030	$232,470,284		
	Trust and Agency	$6,096,600	$5,796,600		
	Federal Trust	$5,969,324	$5,969,324		
436.	Not set out.				
437.	Not set out.				
	Grand Total for Department of Motor Vehicles			**$348,973,483**	**$356,182,737**
	Nongeneral Fund Positions	2,038.00	2,038.00		
	Position Level	2,038.00	2,038.00		
	Fund Sources: Commonwealth Transportation	$225,352,530	$232,861,784		
	Trust and Agency	$11,596,600	$11,296,600		
	Dedicated Special Revenue	$79,800,000	$79,800,000		
	Federal Trust	$32,224,353	$32,224,353		
438.	Not set out.				
439.	Not set out.				
440.	Not set out.				
441.	Not set out.				

§ 1-34. DEPARTMENT OF TRANSPORTATION (501)

442.	Environmental Monitoring and Evaluation (51400)			$13,251,385	~~$12,534,800~~ *$13,170,831*
	Environmental Monitoring and Compliance for Highway Projects (51408)	$10,813,010	~~$10,211,305~~ *$10,588,817*		
	Environmental Monitoring Program Management and Direction (51409)	$2,438,375	~~$2,323,495~~ *$2,582,014*		
	Fund Sources: Commonwealth Transportation	$13,251,385	~~$12,534,800~~ *$13,170,831*		
	Authority: Title 33.1, Code of Virginia.				
	A. Included in the amounts for Environmental Monitoring and Evaluation is $187,443 in the first year and $55,717 in the second year to establish baseline air quality measures of nitrogen dioxide and fine particulate matter at the terminus of the I-395 express lane at Turkeycock Run. Funding shall be used for a two-phased study including a six-month baseline monitoring commencing as soon after July 1, 2014 as practicable, prior to the opening of the ramp, and twelve-month monitoring upon completion of the project; provided, however, that nothing required herein shall delay the opening of the ramp or the project or affect the continuing operation of the 95 Express lanes project. The study shall be conducted by the Department of Environmental Quality pursuant to a Memorandum of Agreement with the Department of Transportation.				
443.	Ground Transportation Planning and Research (60200)			$67,936,320	~~$68,490,623~~ *$67,615,730*
	Ground Transportation System Planning (60201)	$51,771,702	~~$53,153,011~~ *$53,064,943*		
	Ground Transportation System Research (60202)	$12,533,845	~~$11,881,427~~ *$10,879,867*		
	Ground Transportation Program Management and Direction (60204)	$3,630,773	~~$3,456,185~~ *$3,670,920*		

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	Fund Sources: Commonwealth Transportation.....	$67,936,320	~~$68,490,623~~ *$67,615,730*		

Authority: Title 33.2, Code of Virginia.

A. Included in the amount for ground transportation system planning and research is no less than $4,500,000 the first year and no less than $4,500,000 the second year from the highway share of the Transportation Trust Fund for the planning and evaluation of options to address transportation needs.

B. In addition, the Commonwealth Transportation Board may approve the expenditures of up to $500,000 the first year and $500,000 the second year from the highway share of the Transportation Trust Fund for the completion of advance activities, prior to the initiation of an individual project's design along existing highway corridors, to determine short-term and long-term improvements to the corridor. Such activities shall consider safety, access management, alternative modes, operations, and infrastructure improvements. Such funds shall be used for, but are not limited to, the completion of activities prior to the initiation of an individual project's design or to benefit identification of needs throughout the state or the prioritization of those needs. For federally eligible activities, the activity or item shall be included in the Commonwealth Transportation Board's annual update of the Six-Year Improvement program so that (i) appropriate federal funds may be allocated and reimbursed for the activities and (ii) all requirements of the federal Statewide Transportation Improvement Program can be achieved.

C.1. The Office of Intermodal Planning and Investment shall recommend to the Commonwealth Transportation Board all allocations of such funds in this paragraph. The planning and evaluation may be conducted or managed by the Department of Transportation, Department of Rail and Public Transportation, or another qualified entity selected and/or approved by the Commonwealth Transportation Board.

2. The office shall work directly with affected Metropolitan Planning Organizations to develop and implement quantifiable and achievable goals relating to congestion reduction and safety, transit and HOV usage, job/housing ratios, job and housing access to transit and pedestrian facilities, air quality, and/or per-capita vehicle miles traveled pursuant to Chapters 670 and 690 of the 2009 Acts of Assembly.

3. For allocation of funds under Paragraph 1, the office may give a higher priority for planning grants to (i) regional organizations to analyze various land development scenarios for their long range transportation plans, (ii) local governments to revise their comprehensive plans and other applicable local ordinances to designate urban development areas pursuant to Chapter 896 of the 2007 Acts of Assembly and incorporate the principles included in such act, and (iii) local governments, regional organizations, transit agencies and other appropriate entities to develop plans for transit oriented development and the expansion of transit service. Such analyses, plans, and ordinances shall be shared with the regional planning district commission or metropolitan planning organization and the department.

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

E. The prioritization process developed under subsection B of Chapter 726 of the 2014 Virginia Acts of Assembly shall not apply to use of funds provided in this item from the federal apportionments in the State Planning and Research Program.

444.	Highway Construction Programs (60300).....			$1,521,576,851	~~$1,860,792,607~~ *$2,197,835,660*
	Dedicated and Statewide Construction (60302).....	$1,088,811,436	~~$1,258,102,348~~ *$1,299,790,643*		

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Interstate Construction (60303)	$122,180,355	~~$185,550,135~~ *$243,488,438*		
Primary Construction (60304)	$177,800,309	~~$254,653,082~~ *$432,865,588*		
Secondary Construction (60306)	$65,028,986	~~$90,332,246~~ *$120,439,816*		
Urban Construction (60307)	$42,195,439	~~$47,267,564~~ *$75,128,493*		
Highway Construction Program Management (60315)	$25,560,326	~~$24,887,232~~ *$26,122,682*		
Fund Sources: Commonwealth Transportation	$1,071,314,483	~~$1,259,235,059~~ *$1,596,856,102*		
Trust and Agency	$450,262,368	~~$601,557,548~~ *$600,979,558*		

Authority: Title 33.2, Chapter 3; Code of Virginia; Chapters 8, 9, and 12, Acts of Assembly of 1989, Special Session II.

A. From the appropriation for dedicated and statewide construction, the Commonwealth Transportation Board shall determine an amount each year, not less than $15,000,000 and not to exceed $200,000,000 from the Commonwealth Transportation Fund, which shall be allocated to localities for revenue sharing. No additional amount shall be appropriated from the proceeds of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds for this program.

B. Notwithstanding § 33.2-358 of the Code of Virginia, the proceeds from the lease or sale of surplus and residue property purchased under this program in excess of related costs shall be applied to the system and locality where the residue property is located. This funding shall be provided as an increase to the allocations distributed to the systems and localities according to § 33.2-358 of the Code of Virginia.

C. The Director, Department of Planning and Budget, is authorized to increase the appropriation as needed to utilize amounts available from prior year balances in the dedicated funds.

D. Included in the amounts for dedicated and statewide construction is the reappropriation of $448,300,000 the first year and $238,500,000 the second year from bond proceeds or dedicated special revenues for anticipated expenditure of amounts collected in prior years. The amounts will be provided from balances in the Capital Projects Revenue Bond Fund, Federal Transportation Grant Anticipation Revenue Bond Fund, Northern Virginia Transportation District Fund, State Route 28 Highway Improvement District Fund, U.S. Route 58 Corridor Development Fund and the Priority Transportation Fund. These amounts were originally appropriated when received or forecasted and are not related to FY 2015 and FY 2016 estimated revenues.

E. Projects being developed and procured through adopted state, local or regional design-build provisions, other than those required by § 33.2-209 B., Code of Virginia, may be considered for funding from the Transportation Partnership Opportunity Fund. In addition, an application requesting funding from the fund shall be limited to requesting only one form of assistance and the limitations included in § 33.2-1508 (E), Code of Virginia.

F. Prior to annual adoption of the Six Year Improvement Program, the Commonwealth Transportation Board may allocate funding from the highway portion of the Transportation Trust Fund to undertake any park and ride lot improvements for the I-95 Corridor required pursuant to the Comprehensive Agreement for the I-95 High Occupancy Toll Lanes project.

G. Out of the amounts provided for dedicated and statewide construction, the Commonwealth Transportation Board is hereby directed to utilize any balances remaining of the amounts provided in Item 446 H, Chapter 806 of the 2013 Acts of Assembly for an environmental study for the replacement of the I-64 High Rise Bridge in Chesapeake, Virginia to begin preliminary engineering on such project.

H. The Commissioner is directed to investigate methods through which to fund the

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replacement of the Churchland Bridge in Portsmouth and report to the Chairmen of the House Appropriations and Senate Finance Committees on the feasibility of including federal and or state funding for the project in the Six Year Improvement Program by October 1, 2014.

I. Out of the funds provided for the Transportation Alternatives Program or other sources available to the Board, an amount estimated at $90,000 shall be provided to remove the concrete barrier closing the middle of a tunnel in Crozet, Virginia to allow for the development of a trails project and $50,000 in the first year and $50,000 in the second year shall be provided for gateway signage along Interstates 95 and 64 in the Richmond Regional Planning District.

445.	Highway System Maintenance and Operations (60400)		$1,580,560,866	~~$1,558,118,156~~ *$1,573,950,444*
	Interstate Maintenance (60401)	$310,834,929	~~$291,582,040~~ *$332,135,404*	
	Primary Maintenance (60402)	$404,959,326	~~$367,369,215~~ *$452,796,575*	
	Secondary Maintenance (60403)	$602,861,755	~~$625,258,391~~ *$543,417,236*	
	Transportation Operations Services (60404)	$189,372,246	~~$197,319,011~~ *$170,056,169*	
	Highway Maintenance Operations, Program Management and Direction (60405)	$72,532,610	~~$76,589,499~~ *$75,545,060*	
	Fund Sources: Commonwealth Transportation	$1,580,560,866	~~$1,558,118,156~~ *$1,573,950,444*	

Authority: Title 33.1, Chapter 1, Code of Virginia.

A. Out of the funds provided in this program, an amount estimated at $332,900,000 the first year and $240,643,000 the second year from federal funds shall be used to address the maintenance of pavements and bridges and the operations of the transportation system. These funds shall be matched by other funds appropriated to this Item.

B. The department is authorized to enter into agreements with state and local law enforcement officials to facilitate the enforcement of high occupancy vehicle (HOV) restrictions throughout the Commonwealth and metropolitan planning regions.

C. Should federal law be changed to permit privatization of rest area operations, the department is hereby authorized to accept or solicit proposals for their development and/or operation under the Public Private Transportation Act.

D. The Director, Department of Planning and Budget, is authorized to increase the appropriation in this Item as needed to utilize amounts available from prior year balances in the dedicated funds.

E. The Department is hereby directed to utilize the data collected for its State of the Pavement Report to review the conditions of secondary pavements by county within the VDOT Richmond District. By October 15, 2014 the Department shall report to the Chairmen of the House Appropriations, Senate Finance, and House and Senate Transportation Committees on the conditions of secondary pavements by county, and the expenditure of funds for secondary pavement maintenance in the Richmond District by county in fiscal year 2013. If the report indicates that there are significant disparities in the condition of secondary pavements between counties in the Richmond District then the Department is hereby directed to ensure that the expenditure of funds for secondary pavements maintenance within the Richmond District in fiscal year 2015 and fiscal year 2016 shall be adjusted to achieve a minimal level of disparity between the pavement conditions in each county, provided that the Department take all steps necessary to ensure the safety of the driving public in the event of unforeseen events that may require the expenditure of funds to deviate from this directive. An update to the report, which shall include an update on the availability of condition data on the secondary system and the Department's progress at implementing the requirements of Chapter 290 of the 2013 Acts

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	of Assembly shall be presented to the Chairmen of the House Appropriations, Senate Finance, and House and Senate Transportation Committees by October 15, 2015.				
	F. Consistent with the provisions of § 33.2-232 and § 33.2-371, Code of Virginia, as amended by the 2015 General Assembly, the Commissioner of the Department of Transportation is hereby directed to publish for each construction district the amount of money expended for system maintenance and for secondary system improvements by jurisdiction for the preceding year. The report shall also include a calculation for each district of the amount that would be spent if such funds were distributed annually on the basis of population estimates by locality as updated by the Weldon Cooper Center for Public Service. Finally, the report shall include an assessment of whether the department has met its secondary road pavement targets, by district and on a statewide basis. An update to the report, which shall include an update on the availability of condition data on the secondary system and detail on the Department's proposed condition indices for the measurement of bridge and pavement condition, shall be provided to the Chairmen of the House Committees of Transportation and Appropriations and the Senate Committees on Transportation and Finance no later than November 15, 2015.				
446.	Commonwealth Toll Facilities (60600)			$33,871,726	~~$35,121,166~~ *$41,228,350*
	Toll Facility Debt Service (60602)	$3,191,100	$3,185,850		
	Toll Facility Maintenance And Operation (60603)	$12,808,900	~~$12,864,150~~ *$13,492,500*		
	Toll Facilities Revolving Fund (60604)	$17,871,726	~~$19,071,166~~ *$24,550,000*		
	Fund Sources: Commonwealth Transportation	$27,871,726	~~$29,121,166~~ *$34,600,000*		
	Trust and Agency	$6,000,000	~~$6,000,000~~ *$6,628,350*		
	Authority: §§ 33.1-23.03:1 and 33.1-267 through 33.1-295, Code of Virginia.				
	A. Included in this Item are funds for the installation and implementation of a statewide Electronic Toll Customer Service/Violation Enforcement System.				
	B. Funds as appropriated are provided for other toll facility initiatives as needed during the biennium including but not limited to funding activities to advance projects pursuant to the Public-Private Transportation Act.				
447.	Financial Assistance to Localities for Ground Transportation (60700)			$879,209,191	~~$894,274,652~~ *$923,907,139*
	Financial Assistance for City Road Maintenance (60701)	$347,733,534	~~$359,217,501~~ *$362,850,362*		
	Financial Assistance for County Road Maintenance (60702)	$62,006,002	~~$64,053,678~~ *$64,530,419*		
	Financial Assistance for Planning, Access Roads, and Special Projects (60704)	$14,265,188	~~$14,779,319~~ *$13,002,204*		
	Distribution of Northern Virginia Transportation Authority Fund Revenues (60706)	$299,276,334	~~$297,081,245~~ *$314,881,245*		
	~~Distribution of Hampton Roads Transportation Fund Revenues (60707)~~ *Distribution of Hampton Roads Transportation Fund Revenues (60707)*	$155,928,133	~~$159,142,909~~ *$168,642,909*		
	Fund Sources: Commonwealth Transportation	$424,004,724	~~$438,050,498~~ *$440,382,985*		
	Dedicated Special Revenue	$455,204,467	~~$456,224,154~~ *$483,524,154*		
	Authority: Title 33.2, Chapter 1, Code of Virginia.				

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A. Out of the amounts for Financial Assistance for Planning, Access Road, and Special Projects, $7,000,000 the first year and $7,000,000 the second year from the Commonwealth Transportation Fund shall be allocated for purposes set forth in §§ 33.2-1509, 33.2-1600, and 33.2-1510, Code of Virginia. Of this amount, the allocation for Recreational Access Roads shall be $1,500,000 the first year ~~and $1,500,000 the second year~~.

B. For any city or town that assumes responsibility for its construction program as outlined in § 33.2-362 E, Code of Virginia, the matching highway fund requirement contained in § 33.2-348, Code of Virginia, shall be waived for all new projects approved on or after July 1, 2005.

C. The Department of Transportation is encouraged to promote the construction and improvement of primary and secondary highways by counties, consistent with § 33.2-338 of the Code of Virginia, whether or not such improvements are contained in the Six-Year Improvement Program or Plan. If such improvements are not contained in the Six-Year Improvement Program or Plan, the counties may not seek reimbursement from the department for the improvements.

D. Distribution of Northern Virginia Transportation Authority Fund Revenues represents direct payments, of the revenue collected and deposited into the Fund, to the Northern Virginia Transportation Authority for uses contained in Chapter 766, 2013 Acts of Assembly. Notwithstanding any other provision of law, moneys deposited into the Hampton Roads Transportation Fund shall be transferred to the Hampton Roads Transportation Accountability Commission for use in accordance with § 33.2-2611, Code of Virginia, which use may include as a source of funds for administrative expenses of the Hampton Roads Transportation Accountability Commission.

E. The prioritization process developed under subsection B of Chapter 726 of the 2014 Virginia Acts of Assembly shall not apply to use of funds provided in this item from federal apportionments in the Metropolitan Planning Program.

448.	Non-Toll Supported Transportation Debt Service (61200)		$315,173,181	~~$352,307,131~~ *$309,318,503*
	Highway Transportation Improvement District Debt Service (61201)	$7,216,819	$7,212,819	
	Designated Highway Corridor Debt Service (61202)	$62,327,049	~~$81,591,946~~ *$82,636,549*	
	Federal Highway Revenue Anticipation Notes Debt Service (61203)	$31,717,220	$7,925,392	
	Commonwealth Transportation Capital Projects Bond Act Debt Service (61204)	$149,178,705	~~$177,044,728~~ *$147,303,405*	
	Federal Transportation Grant Anticipation Revenue Notes Debt Service (61205)	$64,733,388	~~$78,532,246~~ *$64,240,338*	
	Fund Sources: General	$12,000,000	$68,000,000	
	Commonwealth Transportation	$75,233,388	~~$108,273,569~~ *$64,240,338*	
	Trust and Agency	$220,255,872	~~$168,384,759~~ *$169,430,489*	
	Federal Trust	$7,683,921	~~$7,648,803~~ *$7,647,676*	

Authority: Titles 15, 33, and 58 of the Code of Virginia; Chapters 827 and 914, Acts of Assembly of 1990; Chapters 233 and 662, Acts of Assembly of 1994; Chapter 8, as amended by Chapter 538, Acts of Assembly of 1999; Chapters 1019 and 1044, Acts of Assembly of 2000; Chapter 799, Acts of Assembly of 2002; Chapter 896, Acts of Assembly of 2007; and Chapters 830 and 868, Acts of Assembly of 2011

A.1. The amount shown for Highway Transportation Improvement District Construction shall be derived from payments made to the Transportation Trust Fund pursuant to the

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Contract between the State Route 28 Highway Transportation Improvement District and the Commonwealth Transportation Board dated September 1, 1988 as amended by the Amended and Restated District Contract by and among the Commonwealth Transportation Board, the Fairfax County Economic Development Authority and the State Route 28 Highway Transportation Improvement District Commission (the “District Commission”) dated August 30, 2002, and May 1, 2012 (the “District Contract”).

2. There is hereby appropriated for payment immediately upon receipt to a third party approved by the Commonwealth Transportation Board, or a bond trustee selected by such third party, a sum sufficient equal to the special tax revenues collected by the Counties of Fairfax and Loudoun within the State Route 28 Highway Transportation Improvement District and paid to the Commonwealth Transportation Board by or on behalf of the District Commission (the "contract payments") pursuant to § 15.2-4600 et seq., Code of Virginia, and the District Contract between the Commonwealth Transportation Board and the District Commission.

3. The contract payments may be supplemented from primary funds allocated to the highway construction district in which the project financed is located, or from the secondary system construction allocation to the county or counties in which the project financed is located, and from any other lawfully available revenues of the Transportation Trust Fund, as may be necessary to meet debt service obligations. The payment of debt service shall be for the bonds (the Series 2012 Bonds) issued under the "Commonwealth of Virginia Transportation Contract Revenue Bond Act of 1988" (Chapters 653 and 676, Acts of Assembly of 1988 as amended by Chapters 827 and 914 of the Acts of Assembly of 1990). Funds required to pay the total debt service on the Series 2012 Bonds shall be made available in the amounts indicated in paragraph E of this Item.

B.1. Out of the amounts for Designated Highway Corridor Construction, $12,000,000 the first year and $68,000,000 the second year from the general fund shall be paid to the U.S. Route 58 Corridor Development Fund, hereinafter referred to as the "Fund", established pursuant to § 58.1-815, Code of Virginia. This payment shall be in lieu of the deposit of state recordation taxes to the Fund, as specified in the cited Code section. Said recordation taxes which would otherwise be deposited to the Fund shall be retained by the general fund. Additional appropriations required for the U.S. Route 58 Corridor Development Fund, an amount estimated at $$9,000,000 the first year and $ $9,000,000 the second year shall be transferred from the highway share of the Transportation Trust Fund.

2. Pursuant to the "U.S. Route 58 Commonwealth of Virginia Transportation Revenue Bond Act of 1989" (as amended by Chapter 538 of the 1999 Acts of Assembly), the amounts shown in paragraph E of this Item shall be available from the Fund for debt service for the bonds previously issued and additional bonds issued pursuant to said act.

3. The Commissioner of Highways shall report on or before July 1 of each year to the Chairmen of the Senate Finance and House Appropriations Committees on the cash balances in the Route 58 Corridor Development Fund. In addition, the report shall include the following program-to-date information: (i) a comparison of actual spending to allocations by project and district; (ii) expenditures by project, district, and funding source; and (iii) a six-year plan for planned future expenditures from the Fund by project and district.

C.1. The Commonwealth Transportation Board shall maintain the Northern Virginia Transportation District Fund, hereinafter referred to as the "Fund." Pursuant to § 58.1-815.1, Code of Virginia, and for so long as the Fund is required to support the issuance of bonds, the Fund shall include at least the following elements:

a. Amounts transferred from Item 261 of this act to this Item.

b. An amount estimated at $ $6,000,000 the first year and $ $6,000,000 the second year, which shall be transferred from the highway share of the Transportation Trust Fund.

c. Any public right-of-way use fees allocated by the Department of Transportation pursuant to § 56-468.1 of the Code of Virginia and attributable to the counties of Fairfax, Loudoun, and Prince William, the amounts estimated at $4,786,250 the first year and $4,786,250 the second year.

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d. Any amounts which may be deposited into the Fund pursuant to a contract between the Commonwealth Transportation Board and a jurisdiction or jurisdictions participating in the Northern Virginia Transportation District Program, the amounts estimated to be $816,000 the first year and $816,000 the second year.

2. The Fund shall support the issuance of bonds at a total authorized level of $500,200,000 for the purposes provided in the "Northern Virginia Transportation District, Commonwealth of Virginia Revenue Bond Act of 1993," Chapter 391, Acts of Assembly of 1993 as amended by Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts of Assembly, and Chapter 621 of the 2005 Acts of Assembly.

3. Pursuant to the Northern Virginia Transportation District, Commonwealth of Virginia Revenue Bond Act of 1993, Chapter 391, Acts of Assembly of 1993, and as amended by Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts of Assembly, and Chapter 621 of the 2005 Acts of Assembly, amounts shown in paragraph E of this Item shall be available from the Fund for debt service for the bonds previously issued and additional bonds issued pursuant to said act.

4. Should the actual distribution of recordation taxes to the localities set forth in § 58.1-815.1, Code of Virginia, exceed the amount required for debt service on the bonds issued pursuant to the above act, such excess amount shall be transferred to the Northern Virginia Transportation District Fund in furtherance of the program described in § 33.2-2401, Code of Virginia.

5. Should the actual distribution of recordation taxes to said localities be less than the amount required to pay debt service on the bonds, the Commonwealth Transportation Board is authorized to meet such deficiency, to the extent required, from funds identified in Enactment No. 1, Section 11, of Chapter 391, Acts of Assembly of 1993.

D.1. The Commonwealth Transportation Board shall maintain the City of Chesapeake account of the Set-aside Fund, pursuant to § 58.1-816.1, Code of Virginia, which shall include funds transferred from Item 265 of this act to this Item, and an amount estimated at $1,500,000 the first year and $1,500,000 the second year received from the City of Chesapeake pursuant to a contract or other alternative mechanism for the purpose provided in the "Oak Grove Connector, City of Chesapeake Commonwealth of Virginia Transportation Program Revenue Bond Act of 1994," Chapters 233 and 662, Acts of Assembly of 1994 (hereafter referred to as the "Oak Grove Connector Act").

2. The amounts shown in paragraph E of this Item shall be available from the City of Chesapeake account of the Set-aside Fund for debt service for the bonds issued pursuant to the Oak Grove Connector Act.

3. Should the actual distribution of recordation taxes and such local revenues from the City of Chesapeake as may be received pursuant to a contract or other alternative mechanism to the City of Chesapeake account of the Set-aside Fund be less than the amount required to pay debt service on the bonds, the Commonwealth Transportation Board is authorized to meet such deficiency, pursuant to Enactment No. 1, Section 11 of the Oak Grove Connector Act.

E. Pursuant to various Payment Agreements between the Treasury Board and the Commonwealth Transportation Board, funds required to pay the debt service due on the following Commonwealth Transportation Board bonds shall be transferred to the Treasury Board as follows:

	FY 2015	FY 2016
Transportation Contract Revenue Refund Bonds, Series 2012 (Refunding Route 28)	$7,216,819	$7,212,819
Commonwealth of Virginia Transportation Revenue Bonds: U.S. Route 58 Corridor Development Program:		
Series 2006C		

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		$3,173,000		$3,173,000
Series 2007B				
		$15,034,000		$15,030,000
Series 2012B (Refunding)				
		$6,377,400		$6,382,200
Series 2014B (Refunding)				
		$24,143,100		$24,138,500
Northern Virginia Transportation District Program:				
Series 2006B				
		$2,778,363		$2,776,650
Series 2007A				
		$4,563,900		$4,575,650
Series 2009A-2				
		$5,515,719		$5,484,609
Series 2012A (Refunding)				
		$9,885,538		$9,885,538
Series 2014A (Refunding)				
		$9,631,450		$9,640,250
Transportation Program Revenue Bonds:				
Series 2006A (Oak Grove Connector, City of Chesapeake)		$2,224,500		$2,229,250
Capital Projects Revenue Bonds:				
Series 2010A-1		$16,513,500		$16,364,250
Series 2010A-2		$20,351,593		$20,351,593
Series 2011		$42,112,363		$42,112,363
Series 2012		$40,276,250		$40,280,250
Series 2014		$8,201,923		$18,224,950

F.1. Out of the amounts provided for in this Item, an estimated $31.717,220 the first year and $7,925,392 the second year from federal highway and highway assistance reimbursements shall be provided for the debt service payments on the Federal Highway Reimbursement Anticipation Notes.

2. Notwithstanding Chapters 1019 and 1044, Acts of Assembly of 2000, this act, or any other provision of law, any additional amounts needed to offset the debt service payment requirements on the Transportation Trust Fund attributable to the issuance of Federal Highway Reimbursement Anticipation Notes shall be provided from the Priority Transportation Fund to the extent available and then from the portion of the Transportation Trust Fund available for highway construction purposes prior to making the allocations required by § 33.2-358 C of the Code of Virginia.

G. Out of the amounts provided for in this Item, an estimated $64,733,388 the first year and $78,532,246 the second year from federal reimbursements shall be provided for debt service payments on the Federal Transportation Grant Anticipation Revenue Notes.

H. Out of the amounts provided for this Item, an estimated $127,455,628 the first year and $147,303,405 the second year from the Priority Transportation Fund shall be provided for debt service payments on the Commonwealth Transportation Capital Projects Revenue Bonds. Any additional amounts needed to offset the debt service payment requirements attributable to the issuance of the Capital Projects Revenue Bonds shall be provided from the Transportation Trust Fund.

I. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the applicable provisions of the Transportation

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	Development and Revenue Bond Act (§ 33.2-1700 et seq., Code of Virginia) as amended from time to time, revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series XXXX" at one or more times in an aggregate principal amount not to exceed $180,000,000, after all costs. The net proceeds of the bonds shall be used exclusively for the purpose of providing funds for paying the costs incurred or to be incurred for construction or funding of transportation projects set forth in Item 449.10 of Chapter 847 of the Acts of Assembly of 2007, including but not limited to environmental and engineering studies; rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction and related improvements; and any financing costs and other financing expenses. Such costs may include the payment of interest on the bonds for a period during construction and not exceeding one year after completion of construction of the projects.				
449.	Administrative and Support Services (69900)			$261,807,836	~~$246,598,956~~ *$258,127,173*
	General Management and Direction (69901)	$136,552,026	~~$125,526,832~~ *$138,377,128*		
	Information Technology Services (69902)	$93,947,413	~~$89,784,411~~ *$88,817,504*		
	Facilities and Grounds Management Services (69915)	$15,477,227	~~$15,735,092~~ *$15,649,647*		
	Employee Training and Development (69924)	$15,831,170	~~$15,552,621~~ *$15,282,894*		
	Fund Sources: General	$173,953	$141,060		
	Commonwealth Transportation	$261,633,883	~~$246,457,896~~ *$257,986,113*		
	Authority: Title 33.2, Code of Virginia.				
	A. Notwithstanding any other provision of law, the highway share of the Transportation Trust Fund shall be used for highway maintenance and operation purposes prior to its availability for new development, acquisition, and construction.				
	B. Administrative and Support Services shall include funding for management, direction, and administration to support the department's activities that cannot be directly attributable to individual programs and/or projects.				
	C. Out of the amounts for General Management and Direction, allocations shall be provided to the Commonwealth Transportation Board to support its operations, the payment of financial advisory and legal services, and the management of the Transportation Trust Fund.				
	D. Notwithstanding any other provision of law, the department may assess and collect the costs of providing services to other entities, public and private. The department shall take all actions necessary to ensure that all such costs are reasonable and appropriate, recovered, and understood as a condition to providing such service.				
	E. Each year, as part of the six-year financial planning process, the commissioner shall implement a long-term business strategy that considers appropriate staffing levels for the department. In addition, the commissioner shall identify services, programs, or projects that will be evaluated for devolution or outsourcing in the upcoming year. In undertaking such evaluations, the commissioner is authorized to use the appropriate resources, both public and private, to competitively procure those identified services, programs, or projects and shall identify total costs for such activities.				
	F. Notwithstanding § 4-2.03 of this act, the Virginia Department of Transportation shall be exempt from recovering statewide and agency indirect costs from the Federal Highway Administration until an indirect cost plan can be evaluated and developed by the agency and approved by the Federal Highway Administration.				
	G. The Director, Department of Planning and Budget, is authorized to adjust appropriations and allotments for the Virginia Department of Transportation to reflect				

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changes in the official revenue estimates for commonwealth transportation funds.				
H. Out of the amounts for General Management and Direction, allocations shall be provided to support the capital lease agreement with Fairfax County for the Northern Virginia District building. An amount estimated at $7,800,000 the first year and $7,800,000 the second year from Commonwealth Transportation Funds shall be provided.				
I. Notwithstanding any other provisions of law, the Commonwealth Transportation Commissioner may enter into a contract with homeowner associations for grounds-keeping, mowing, and litter removal services.				
J. The prioritization process developed under subsection B of Chapter 726 of the 2014 Virginia Acts of Assembly shall not apply to use of funds provided in this item from federal apportionments out of the Surface Transportation Program utilized for Employee Training and Development.				
K. Notwithstanding the provisions § 2.2-2402 of the Code of Virginia, no construction, erection, repair, upgrade, removal or demolition of any building, fixture or structure located or to be located on property of the Commonwealth of Virginia under the control of the Virginia Department of Transportation (VDOT) and within the secured area of a residency, area headquarters or district complex shall be subject to review or approval by the Art and Architectural Review Board as contemplated by that section. However, for changes to any building or fixture located on property owned or controlled by VDOT that has been designated or is under consideration for designation as a historic property, then VDOT shall submit such changes to the Art and Architectural Review Board for review and approval by the Board.				
L. The Department of Transportation is authorized to donate a surplus Volvo-manufactured dump truck, owned by the department, to the Virginia Transportation Museum to promote Virginia's transportation history.				
450. Not set out.				
Total for Department of Transportation			**$4,673,387,356**	~~**$5,028,238,091**~~ ***$5,385,153,830***
Nongeneral Fund Positions	7,485.00	7,485.00		
Position Level	7,485.00	7,485.00		
Fund Sources: General	$12,173,953	$68,141,060		
Commonwealth Transportation	$3,521,806,775	~~$3,720,281,767~~ *$4,048,802,543*		
Trust and Agency	$676,518,240	~~$775,942,307~~ *$777,038,397*		
Dedicated Special Revenue	$455,204,467	~~$456,224,154~~ *$483,524,154*		
Federal Trust	$7,683,921	~~$7,648,803~~ *$7,647,676*		
451. Not set out.				
452. Not set out.				
453. Not set out.				
454. Not set out.				
455. Not set out.				
456. Not set out.				
TOTAL FOR OFFICE OF TRANSPORTATION			**$5,761,855,548**	~~**$6,217,561,596**~~ ***$6,574,477,335***
Nongeneral Fund Positions	9,784.00	9,855.00		
Position Level	9,784.00	9,855.00		
Fund Sources: General	$13,154,398	$69,121,540		

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	Special	$129,928,836	$149,100,152		
	Commonwealth Transportation	$4,352,244,733	~~$4,632,703,687~~ *$4,961,224,463*		
	Trust and Agency	$688,114,840	~~$787,238,907~~ *$788,334,997*		
	Dedicated Special Revenue	$535,004,467	~~$536,024,154~~ *$563,324,154*		
	Federal Trust	$43,408,274	~~$43,373,156~~ *$43,372,029*		

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OFFICE OF VETERANS AND DEFENSE AFFAIRS

§ 1-35. SECRETARY OF VETERANS AND DEFENSE AFFAIRS (454)

457.	Not set out.				
458.	Economic Development Services (53400)			$3,138,400	~~$2,350,000~~ *$2,600,000*
	Financial Assistance for Economic Development (53410)	$3,138,400	~~$2,350,000~~ *$2,600,000*		
	Fund Sources: *General*	*$0*	*$250,000*		
	Dedicated Special Revenue	$3,138,400	$2,350,000		

Authority: Discretionary Inclusion

A.1. In accordance with Chapter 653 of the 2008 Virginia Acts of Assembly, this item includes the Commonwealth's contribution to addressing the encroachment upon the United States Navy Master Jet Base and an auxiliary landing field used in connection with flight operations arising from such Master Jet Base. The Commonwealth's contribution consists of $3,138,400 from nongeneral funds provided in this item.

2. The Commonwealth's contribution shall be only expensed for purchasing property or development rights and to otherwise convert such property to an appropriate compatible use and to prohibit new uses or development deemed incompatible with air operations at such facilities as established under Chapter 653**.**

3. Of the total amount provided by the Commonwealth, $2,092,267 shall be initially allocated to the locality in which the Master Jet Base is located and $1,046,133 shall be initially allocated to the locality in which the auxiliary landing field for the Master Jet Base is located. Should either locality advise the Secretary of Veterans and Defense Affairs and the Secretary of Finance that it will be unable to use all of its allocated amount during the term of the grant, then the portion that will not be used may be re-allocated to the other locality upon written application for such request to the Secretary of Veterans and Defense Affairs **.**

B.1. The Secretary of Veterans and Defense Affairs shall develop an annual grant application which shall include, at a minimum, requirements for the Grantee to (1) report expenditures each quarter, (2) retain all invoices, bills, receipts, cancelled checks, proof of payment and similar documentation to substantiate expenditures of grant funding, (3) provide a 50 percent cash match from non-state funds, (4) return excess state grant funding within thirty (30) days after the term of the grant expires, and (5) *for all property purchased using state grant funds pursuant to Chapter 653 of the 2008 Acts of Assembly or Chapter 266 of the 2006 Virginia Acts of Assembly and later sold or leased by the grantee (i) upon disposition of the interest,* return to the Commonwealth ~~half of all proceeds received by the grantee from the sale of any properties acquired using grant funds pursuant to Chapter 653 of the 2008 Acts of Assembly or Chapter 266 of the 2006 Virginia Acts of Assembly.~~ *50% of the sales or lease proceeds or 50% of the purchase price initially paid to acquire the grantee's interest in the property, whichever is less; and (ii) if the grantee has sold an easement over the property or leased the property and returned 50 percent of those easement or rental proceeds to the Commonwealth, the amount returned to the Commonwealth shall be credited against the amount owed to the Commonwealth for any future sale of the land.*

2. Prior to the distribution of any funds, any grantee seeking funding under this Item shall submit a grant application to the Secretary of Veterans and Defense Affairs for consideration.

3. Payments to grantees shall be made in equal quarterly installments. After the initial payment, the Secretary of Veterans and Defense Affairs shall make additional quarterly payments to the grantee based on the quarterly expenditure reports. In making subsequent payments, the Secretary shall ensure the grantee's match funding is being expensed at the appropriate rate and adjust state quarterly payments, as appropriate, to account for any surplus state funding not yet spent from previous quarterly payments.

4. Notwithstanding the provisions of paragraph 3. above, the Secretary of Veterans and

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Defense Affairs may approve a request by the grantee for additional state funding in a particular quarterly payment if supporting documentation is provided.				
5. The Secretary of Veterans and Defense Affairs may extend the term of the FY 2014 grant to June 30, 2015, if in the Secretary's opinion such extension is warranted to meet the purposes of this appropriation.				
C. The Commonwealth shall have the right to make inspections and copies of the books and records of the grantees at any time. The grantees shall undergo an audit for the grant period and provide a copy of the audit report to the Secretary of Veterans and Defense Affairs .				
D. *1.* In addition to the amounts provided in paragraph A.1. of this item, an amount estimated at $2,100,000 from dedicated special revenues shall be provided to the locality in which the United States Navy Master Jet Base auxiliary landing field is located, for the purpose of purchasing property or development rights and otherwise converting such property to an appropriate compatible use and prohibiting new uses or development which is deemed incompatible with air operations arising from such Master Jet Base. In addition, $250,000 from dedicated special revenues shall be provided to a locality in which a U.S. Air Force Base is located to purchase property in the Clear Zone and Accident Potential Zones and mitigate adverse impacts on military operations and employment levels caused by encroachment of incompatible uses, in advance of further actions by the federal Base Realignment and Closure Commission or any similar federal actions. The provisions of paragraph B. of this item shall apply to the distribution of the funds in this paragraph.				
2. In the event that dedicated special revenues exceed the amounts needed to fund the requirements in D.1 above, any excess dedicated special fund revenue up to $2,500,000 is hereby appropriated to provide additional assistance to the locality in which the United States Navy Master Jet Base auxiliary landing field is located for the purpose of purchasing property or development rights and otherwise converting such property to an appropriate compatible use and prohibiting new uses or development which is deemed incompatible with air operations arising from such Master Jet Base.				
E. The Secretary of Veterans and Defense Affairs may submit project requests that improve, expand, develop, or redevelop a federal or state military installation or its supporting infrastructure, to enhance its military value to the MEI Project Approval Commission established pursuant to § 30-309, Code of Virginia, for its consideration. The authority of the Commission to consider and evaluate such projects shall be in addition to the authorities provided to the MEI Project Approval Commission and § 30-310, Code of Virginia.				
F. Included in this appropriation is $250,000 in the second year from the general fund to support the recommendations of the Governor's Commission on Military Installations and Defense Activities.				
Total for Secretary of Veterans and Defense Affairs			**$4,726,618**	~~**$3,391,252**~~ ***$3,641,252***
General Fund Positions	6.00	6.00		
Nongeneral Fund Positions	3.00	3.00		
Position Level	9.00	9.00		
Fund Sources: General	$699,823	~~$691,320~~ *$941,320*		
Dedicated Special Revenue	$3,138,400	$2,350,000		
Federal Trust	$888,395	$349,932		

§ 1-36. DEPARTMENT OF VETERANS SERVICES (912)

459.	Not set out.		
460.	Not set out.		
461.	Veterans Benefit Services (46700)	$8,782,763	$11,797,591

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Case Management Services for Veterans Benefits (46701)	$5,235,886	$6,286,087		
Virginia Veteran and Family Support Services (46702)	$3,546,877	$3,737,504		
Veterans Employment and Transition Services (46703)	$0	$1,774,000		
Fund Sources: General	$7,604,463	$10,519,291		
Special	$25,000	$0		
Dedicated Special Revenue	$375,000	$600,000		
Federal Trust	$778,300	$678,300		

Authority: Title 2.2, Chapters 20, 24, 26, and 27, Code of Virginia.

A. 1. Out of this appropriation, up to $500,000 from the general fund the second year shall be provided to address the costs associated with support of a grant program to create employment opportunities for veterans by assisting Virginia employers in hiring and retaining veterans. The Department of Veterans Services shall develop program guidelines to ensure that the funding mechanism effectively attracts maximum participation of firms to increase the number of veterans hired.

2. Such funds shall be used to provide grants beginning July 1, 2015, to any business located in Virginia with 300 or fewer employees which has hired a veteran on or after July 1, 2014, with the following additional requirements: (a) each such veteran shall have been hired within ~~one~~ *five* years of the date of his or her discharge from active military service*;* and *(b)* each such veteran shall have been continuously employed by the business in a full-time job for at least one year.~~; and (c) each such veteran shall have been paid at least the prevailing average wage of the jurisdiction in which the job is located.~~ The grant shall equal $1,000 per qualifying business for each veteran who has been hired, and who qualifies under the provisions of this item, up to a maximum grant of $10,000 per business in the fiscal year.

3. Grants shall be issued in the order that each completed eligible application is received. In the event that the amount of eligible grants requested in a fiscal year exceeds the funds available in the Fund, such grants shall be paid in the next fiscal year in which funds are available.

4. The Department shall report no later than October 1 of each fiscal year after the program is implemented on the demand for the program, and any shortage of funding resulting from requests in excess of the available appropriation.

462. Not set out.

463. Not set out.

Total for Department of Veterans Services			**$58,216,565**	**$61,195,499**
General Fund Positions	113.00	124.00		
Nongeneral Fund Positions	563.00	563.00		
Position Level	676.00	687.00		
Fund Sources: General	$11,073,397	$14,088,521		
Special	$30,312,194	$30,109,004		
Dedicated Special Revenue	$510,000	$735,000		
Federal Trust	$16,320,974	$16,262,974		
TOTAL FOR OFFICE OF VETERANS AND DEFENSE AFFAIRS			**$62,943,183**	**~~$64,586,751~~** ***$64,836,751***
General Fund Positions	119.00	130.00		
Nongeneral Fund Positions	566.00	566.00		
Position Level	685.00	696.00		
Fund Sources: General	$11,773,220	~~$14,779,841~~ *$15,029,841*		
Special	$30,312,194	$30,109,004		

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	Dedicated Special Revenue.....	$3,648,400	$3,085,000		
	Federal Trust.....	$17,209,369	$16,612,906		

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CENTRAL APPROPRIATIONS

§ 1-37. CENTRAL APPROPRIATIONS (995)

464. Omitted.

464.10 Not set out.

465.	Revenue Administration Services (73200).....		a sum sufficient	
	Designated Refunds for Taxes and Fees (73215).....	a sum sufficient		
	Fund Sources: General.....	a sum sufficient		

Authority: Discretionary Inclusion.

A. There is hereby appropriated from the affected funds in the state treasury, for refunds of taxes and fees, and the interest thereon, in accordance with law, a sum sufficient. There is hereby established a special fund in the state treasury to be known as the Refund Suspense Fund, hereinafter referred to as the Fund. The Tax Commissioner is hereby authorized to contract with nongovernmental entities for review of requests for refunds of taxes to enhance, expand and/or modify the administration of the refund review program, and to perform analysis of refund processing techniques. The amount of any refund identified by the nongovernmental entity as potentially erroneous shall be deposited to the Fund pending review of the refund request. Amounts in the Fund may be used to pay refunds subsequently determined to be valid, to pay the contracted nongovernmental entity for its services, to perform oversight of their operations, to upgrade necessary refund processing systems and data interfaces to facilitate the contractor's work, to offset any administrative or other costs related to any contracts authorized under this provision, and to retain experts to perform analysis of refund processing techniques. Any balance in the fund remaining after such payments, or provision therefore, shall be deposited into the appropriate general, nongeneral, or local fund.

B. There is hereby appropriated from the affected funds in the state treasury for, (1) refunds of previously paid taxes imposed by the Commonwealth at 100 percent of face value up to the amount of the coalfield employment enhancement tax credit authorized by § 58.1-439.2, Code of Virginia, (2) refunds of any remaining credit at 90 percent of face value for credits earned in taxable years beginning before January 1, 2002, and 85 percent of face value for credits earned in taxable years beginning on and after January 1, 2002, and (3) payment of the remaining 10 or 15 percent credit to the Coalfields Economic Development Authority, a sum sufficient.

466. Not set out.

467.	Compensation and Benefit Adjustments (75700).....			$98,525,081	~~$228,923,535~~ *$399,342,529*
	Adjustments to Employee Compensation (75701).....	$0	$85,746,009		
	Adjustments to Employee Benefits (75702).....	$98,525,081	~~$143,177,526~~ *$313,596,520*		
	Fund Sources: General.....	$98,525,081	~~$228,923,535~~ *$399,342,529*		

Authority: Discretionary Inclusion.

A. Transfers to or from this Item may be made to decrease or supplement general fund appropriations to state agencies for:

1. Adjustments to base rates of pay;

2. Adjustments to rates of pay for budgeted overtime of salaried employees;

3. Salary changes for positions with salaries listed elsewhere in this act;

4. Salary changes for locally elected constitutional officers and their employees;

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5. Employer costs of employee benefit programs when required by salary-based pay adjustments;

6. Salary changes for local employees supported by the Commonwealth, other than those funded through appropriations to the Department of Education; and

7. Adjustments to the cost of employee benefits to include but not limited to health insurance premiums and retirement and related contribution rates.

B. Transfers from this Item may be made when appropriations to the state agencies concerned are insufficient for the purposes stated in paragraph A of this Item, as determined by the Department of Planning and Budget, and subject to guidelines prescribed by the department. Further, the Department of Planning and Budget may transfer appropriations within this Item from the second year of the biennium to the first year, when necessary to accomplish the purposes stated in paragraph A of this Item.

C. Except as provided for elsewhere in this Item, agencies supported in whole or in part by nongeneral fund sources, shall pay the proportionate share of changes in salaries and benefits as required by this Item, subject to the rules and regulations prescribed by the appointing or governing authority of such agencies. Nongeneral fund revenues and balances required for this purpose are hereby appropriated.

D. Any supplemental salary payment to a state employee or class of state employees by a local governing body shall be governed by a written agreement between the agency head of the employee or class of employees receiving the supplement and the chief executive officer of the local governing body. Such agreement shall also be reviewed and approved by the Director of the State Department of Human Resource Management. At a minimum, the agreement shall specify the percent of state salary or fixed amount of the supplement, the resultant total salary of the employee or class of employees, the frequency and method of payment to the agency of the supplement, and whether or not such supplement shall be included in the employee's state benefit calculations. A copy of the agreement shall be made available annually to all employees receiving the supplement. The receipt of a local salary supplement shall not subject employees to any personnel or payroll rules and practices other than those promulgated by the State Department of Human Resource Management.

E. The Governor is hereby authorized to transfer funds from agency appropriations to the accounts of participating state employees in such amounts as may be necessary to match the contributions of the qualified participating employees, consistent with the requirements of the Code of Virginia governing the deferred compensation cash match program. Such transfers shall be made consistent with the following:

1. The maximum cash match provided to eligible employees shall not be less than $20.00 per pay period, or $40.00 per month, in each year of the biennium. The Governor may direct the agencies of the Commonwealth to utilize funds contained within their existing appropriations to meet these requirements.

2. The Governor may direct agencies supported in whole or in part with nongeneral funds to utilize existing agency appropriations to meet these requirements. Such nongeneral revenues and balances are hereby appropriated for this purpose, subject to the provisions of § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any existing conditions and restrictions otherwise placed upon such nongeneral funds.

4. The procurement of services related to the implementation of this program shall be governed by standards set forth in § 51.1-124.30 C, Code of Virginia, and shall not be subject to the provisions of Chapter 7 (§ 11-35 et seq.), Title 11, Code of Virginia.

F. The Secretary of Administration, in conjunction with the Secretary of Finance, may establish a program that allows for the sharing of cost savings from improved productivity, efficiency, and performance with agencies and employees. Such gain sharing programs require a management philosophy of open communication encouraging employee participation; a system which seeks, evaluates and implements employee input on increasing productivity; and a formula for measuring productivity gains and sharing these gains between employees and the agency. The Department of Human Resource

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Management, in conjunction with the Department of Planning and Budget, shall develop specific gain sharing program guidelines for use by agencies. The Department of Human Resource Management shall provide to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees an annual report no later than October 1 of each year detailing identified savings and their usage.

G.1. Out of the appropriation for this Item, amounts estimated at $22,997,759 the first year and $36,539,221 the second year from the general fund shall be transferred to state agencies and institutions of higher education to support the general fund portion of costs associated with changes in the employer's share of premiums paid for the Commonwealth's health benefit plans.

2. Out of the amounts included in subparagraph 1of this paragraph, $327,646 the first year and $341,891 the second year from the general fund shall be transferred to the University of Virginia to cover the state share of the increases in employer premiums for state employees participating in the University of Virginia's health care plan.

3. Notwithstanding any contrary provision of law, the health benefit plans for state employees resulting from the additional funding in this Item shall allow for a portion of employee medical premiums to be charged to employees.

4. The Department of Human Resource Management shall explore options within the health insurance plan for state employees to promote value-based health choices aimed at creating greater employee satisfaction with lower overall health care costs. It is the General Assembly's intent that any savings associated with this employee health care initiative be retained and used towards funding state employee salary or fringe benefit cost increases.

5. Notwithstanding any other provision of law, it shall be the sole responsibility and authority of the Department of Human Resource Management to establish and enforce employer contribution rates for any health insurance plan established pursuant to § 2.2-2818, Code of Virginia.

6. The Department of Human Resource Management is prohibited from establishing a retail maintenance network for maintenance drugs that includes penalties for non-use of the retail maintenance network.

7. The Department of Human Resource Management shall not increase the annual out-of-pocket maximum included in the plans above the limits in effect for the plan year which began on July 1, 2014.

H.1. Contribution rates paid to the Virginia Retirement System for the retirement benefits of public school teachers, state employees, state police officers, state judges, and state law enforcement officers eligible for the Virginia Law Officers Retirement System shall be based on a valuation of retirement assets and liabilities that are consistent with the provisions of Chapters 701 and 823, Acts of Assembly of 2012.

2. Retirement contribution rates for the first year and the second year, excluding the five percent employee portion, shall be: 14.50 percent in the first year and 14.06 percent in the second year, for public school teachers, 12.33 percent for state employees, 25.82 percent for state police officers, 17.67 percent for the Virginia Law Officers Retirement System, and 51.66 percent the first year and 49.62 percent the second year for the Judicial Retirement System. These rates include both the regular contribution rate and the rate calculated by the Virginia Retirement System actuary for the 10-year payback of the retirement contribution payments deferred for the 2010-12 biennium.

3. Payments to the Virginia Retirement System shall be made no later than the tenth day following the close of each month of the fiscal year.

4.a. Out of the general fund appropriation for this Item is included $71,597,876 the first year and $70,367,427 the second year to support the general fund portion of the net costs resulting from changes in employer contributions for state employee retirement as provided for in this paragraph.

b. Out of the amounts included in subparagraph 4.a of this paragraph, $23,374,502 the first year and $23,374,502 the second year is included for the 10-year payback of the retirement

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contribution payments deferred for the 2010-12 biennium.

5. The funding necessary to support the cost of reimbursements to Constitutional Officers for retirement contributions are appropriated elsewhere in this act under the Compensation Board.

6. The funding necessary to support the cost of the employer retirement contribution rate for public school teachers is appropriated elsewhere in this act under Direct Aid to Public Education.

I.1. Except as authorized in Paragraph I.2. of this Item, rates paid to the Virginia Retirement System on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions shall be based on the higher of: a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium, eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium, ninety percent of the results of the June 30, 2015 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2016-18 biennium, one-hundred percent of the results of the June 30, 2017 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2018-20 biennium.

2. Rates paid to the VRS on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions may, at each participating employers option, be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to § 51.1-145(I), Code of Virginia.

3. Every participating employer must certify to the board of the Virginia Retirement System by resolution adopted by its local governing body that it: has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of electing or not electing to utilize the employer contribution rates certified by the Virginia Retirement System Board of Trustees, as provided for in paragraph I.2.

4. Prior to electing to utilize the employer contribution rates certified by the Virginia Retirement System Board of Trustees, as authorized in paragraph I.2, local public school divisions must receive the concurrence of the local governing body. Such concurrence must be documented by a resolution of the governing body.

5. The board of the Virginia Retirement System shall provide all employers participating in the Virginia Retirement System with a summary of the implications inherent in the use of the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees set out in paragraph K.2, and the alternate employer contribution rates set out in paragraph I.1

J.1. The Virginia Retirement System Board of Trustees shall account for the employer retirement contribution payments deferred for the 2010-2012 biennium based on limiting employer retirement contributions to the Virginia Retirement System to the actuarial normal cost. In setting the employer retirement contribution rates for subsequent biennia, the board shall calculate a separate, supplemental employer contribution rate that will amortize such deferred payments over a period of ten years using the board's assumed long-term rate of return. The Governor shall include funds to support payment of such board-approved, supplemental employer contribution rates in the budget submitted to the General Assembly.

2. For purposes of setting rates for the 2014-16 biennium, and future biennia, the board shall treat any lump-sum deposits into the retirement system as an expedited repayment of the 2010-2012 deferred contributions for the appropriate system. Should these deposits exceed the remaining amounts owed for the deferred contributions, the balance shall

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remain in these specific systems to address the overall unfunded liability.

K.1. Contribution rates paid to the Virginia Retirement System for other employee benefits to include the public employee group life insurance program, the Virginia Sickness and Disability Program, the state employee retiree health insurance credit, and the public school teacher retiree health insurance credit, shall be set at 90 percent of the rate based on a valuation of assets and liabilities that assume an investment return of seven percent and an amortization period of 30 years.

2. Contribution rates paid on behalf of public employees for other programs administered by the Virginia Retirement System in the first year and the second year shall be: 1.19 percent for the state employee group life insurance program, 0.48 percent for the employer share of the public school teacher group life insurance program, 1.05 percent for the state employee retiree health insurance credit, and 1.06 percent for the public school teacher retiree health insurance credit. The contribution rate paid on behalf of public employees for the Virginia Sickness and Disability Program shall be 0.66 percent of covered payroll. Funding for the Virginia Sickness and Disability Program is calculated on a rate of 0.56 percent of total payroll.

3. Out of the general fund appropriation for this Item is included $3,065,528 the first year and $3,065,528 the second year to support the general fund portion of the net costs resulting from changes in employer contributions for state employee benefits as provided for in this paragraph.

4. Out of the general fund appropriation for this Item is included $863,918 the first year and $863,918 the second year to support the general fund portion of the net costs resulting from changes in the retiree health insurance credit contributions for state supported local public employees through the Compensation Board, the Department of Social Services, and the Department of Elections pursuant to § 51.1-1403, Code of Virginia.

5. The funding necessary to support the cost of reimbursements to Constitutional Officers for public employee group life insurance contributions is appropriated elsewhere in this act under the Compensation Board.

6. The funding necessary to support the cost of the employer public school teacher group life insurance and retiree health insurance credit rates is appropriated elsewhere in this act under Direct Aid to Public Education.

L. Notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § 2.2-3204(A), Code of Virginia for employees who are involuntarily separated from employment with the Commonwealth if the Director of the Department of Planning and Budget certifies that such action results from 1. budget reductions enacted in the Appropriation Act, 2. budget reductions executed in response to the withholding of appropriations by the Governor pursuant to §4-1.02 of the Act, 3. reorganization or reform actions taken by state agencies to increase efficiency of operations or improve service delivery provided such actions have been previously approved by the Governor, or 4. downsizing actions taken by state agencies as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue, and if the Director of the Department of Human Resource Management certifies that the action comports with personnel policy. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

M. The purpose of this paragraph is to provide a transitional severance benefit, under the conditions specified, to eligible city, county, school division or other political subdivision employees who are involuntarily separated from employment with their employer.

1.a. "Involuntary separation" includes, but is not limited to, terminations and layoffs from employment with the employer, or being placed on leave without pay-layoff or equivalent status, due to budget reductions, employer reorganizations, workforce downsizings, or other causes not related to the job performance or misconduct of the employee, but shall not include voluntary resignations. As used in this paragraph, a "terminated employee" shall mean an employee who is involuntarily separated from employment with his employer.

b. The governing authority of a city, county, school division or other political subdivision

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electing to cover its employees under the provisions of this paragraph shall adopt a resolution, as prescribed by the Board of Trustees of the Virginia Retirement System, to that effect. An election by a school division shall be evidenced by a resolution approved by the Board of such school division and its local governing authority.

2.a. Any (i) “eligible employee" as defined in § 51.1-132, (ii) “teacher" as defined in § 51.1-124.3, and (iii) any “local officer" as defined in § 51.1.124.3 except for the treasurer, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, or sheriff of any county or city, and (a) for whom reemployment with his employer is not possible because there is no available position for which the employee is qualified or the position offered to the employee requires relocation or a reduction in salary and (b) whose involuntary separation was due to causes other than job performance or misconduct, shall be eligible, under the conditions specified, for the transitional severance benefit conferred by this paragraph. The date of involuntary separation shall mean the date an employee was terminated from employment or placed on leave without pay-layoff or equivalent status.

b. Eligibility shall commence on the date of involuntary separation.

3.a. On his date of involuntary separation, an eligible employee with (i) two years' service or less to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary; (ii) three years through and including nine years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary plus one additional week of salary for every year of service over two years; (iii) ten years through and including fourteen years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to twelve weeks of salary plus two additional weeks of salary for every year of service over nine years; or (iv) fifteen years or more of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to two weeks of salary for every year of service, not to exceed thirty-six weeks of salary.

b. Transitional severance benefits shall be computed by the terminating employer's payroll department. Partial years of service shall be rounded up to the next highest year of service.

c. Transitional severance benefits shall be paid by the employer in the same manner as normal salary. In accordance with § 60.2-229, transitional severance benefits shall be allocated to the date of involuntary separation. The right of any employee who receives a transitional severance benefit to also receive unemployment compensation pursuant to § 60.2-100 et seq. shall not be denied, abridged, or modified in any way due to receipt of the transitional severance benefit; however, any employee who is entitled to unemployment compensation shall have his transitional severance benefit reduced by the amount of such unemployment compensation. Any offset to a terminated employee's transitional severance benefit due to reductions for unemployment compensation shall be paid in one lump sum at the time the last transitional severance benefit payment is made.

d. For twelve months after the employee's date of involuntary separation, the employee shall continue to be covered under the (i) health insurance plan administered by the employer for its employees, if he participated in such plan prior to his date of involuntary separation, and (ii) group life insurance plan administered by the Virginia Retirement System pursuant to Chapter 5 (§ 51.1-500 et seq.) of Title 51.1, or such other group life insurance plan as may be administered by the employer. During such twelve months, the terminating employer shall continue to pay its share of the terminated employee's premiums. Upon expiration of such twelve month period, the terminated employee shall be eligible to purchase continuing health insurance coverage under COBRA.

e. Transitional severance benefit payments shall cease if a terminated employee is reemployed or hired in an individual capacity as an independent contractor or consultant by the employer during the time he is receiving such payments.

f. All transitional severance benefits payable pursuant to this section shall be subject to applicable federal laws and regulations.

4.a. In lieu of the transitional severance benefit provided in subparagraph 3 of this paragraph, any otherwise eligible employee who, on the date of involuntary separation, is also (i) a vested member of the Virginia Retirement System, including a member eligible

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for the benefits described in subsection B of § 51.1-138, and (ii) at least fifty years of age, may elect to have the employer purchase on his behalf years to be credited to either his age or creditable service or a combination of age and creditable service, except that any years of credit purchased on behalf of a member of the Virginia Retirement System, including a member eligible for the benefits described in subsection B of § 51.1-138, who is eligible for unreduced retirement shall be added to his creditable service and not his age. The cost of each year of age or creditable service purchased by the employer shall be equal to fifteen percent of the employee's present annual compensation. The number of years of age or creditable service to be purchased by the employer shall be equal to the quotient obtained by dividing (i) the cash value of the benefits to which the employee would be entitled under subparagraphs 3.a. and 3.d. of this paragraph by (ii) the cost of each year of age or creditable service. Partial years shall be rounded up to the next highest year. Deferred retirement under the provisions of subsection C of §§ 51.1-153 and 51.1-205, and disability retirement under the provisions of § 51.1-156 et seq., shall not be available under this paragraph.

b. In lieu of the (i) transitional severance benefit provided in subparagraph 3 of this paragraph and (ii) the retirement program provided in this subsection, any employee who is otherwise eligible may take immediate retirement pursuant to §§ 51.1-155.1 or 51.1-155.2.

c. The retirement allowance for any employee electing to retire under this paragraph who, by adding years to his age, is between ages fifty-five and sixty-five, shall be reduced on the actuarial basis provided in subdivision A. 2. of § 51.1-155.

d. The retirement program provided in this subparagraph shall be otherwise governed by policies and procedures developed by the Virginia Retirement System.

e. Costs associated with the provisions of this subparagraph shall be factored into the employer contribution rates paid to the Virginia Retirement System.

N. The final sentence of § 51.1-145 (N), Code of Virginia providing that the employer contribution rate established for each employer may include the annual rate of contribution payable by such employer with respect to employees enrolled in optional defined contribution retirement plans, shall not apply to optional defined retirement plans established under § 51.1-126 for employees engaged in teaching, administrative or research duties at institutions of higher education, § 51.1-126.1 for employees of teaching hospitals other than VCU and UVA Medical Centers, and § 51.1-126.3 for University of Virginia Medical Center employees.

O.1. The Governor is hereby authorized to allocate a sum of up to $113,912,441 from this appropriation to the extent necessary to offset any downward revisions of the general fund revenue estimate prepared for fiscal years 2015 and 2016 after the enactment by the General Assembly of the 2015 Appropriation Act. If within 5 days of the preliminary close of the fiscal year ending on June 30, 2015, the Comptroller's analysis does not determine that a revenue re-forecast is required pursuant to § 2.2-1503.3, Code of Virginia, then such appropriation shall be used only for employee compensation purposes as stated in paragraphs P., Q., R., S., T., and U. below.

2. Furthermore, the $52,865,368 allocated to support the state share of a one and one-half percent salary adjustment for SOQ funded positions authorized in Item 136 of this act shall be unallotted if the provisions of paragraph O.1. are not met and the actions authorized in paragraphs P., Q., R., S., T., and U. of this item are not effectuated.

P.1. Contingent on the provisions of paragraph O.1. above, the base salary of the following employees shall be increased by two percent on August 10, 2015, for state employees:

a. Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;

b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;

c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c; and

d. Full-time professional staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries Offices, including the Deputy Secretaries, the

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Virginia Liaison Office, and the Secretary of the Commonwealth's Office.

e. Heads of agencies in the Legislative Department;

f. Full-time employees in the Legislative Department, other than officials elected by popular vote; and

g. Secretaries and administrative assistants as provided for in Item 1 of this act.

h. Judges and Justices in the Judicial Department;

i. Heads of agencies in the Judicial Department; and,

j. Full-time employees in the Judicial Department.

k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officer of the Virginia College Savings Plan, and the Directors of the Virginia Lottery, and the Virginia Retirement System;

l. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia Retirement System.

2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.

b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. However, notwithstanding anything herein to the contrary, the governing authorities of those state institutions of higher education with employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.

3. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by two percent on August 10, 2015. The Department of Human Resource Management shall increase the maximum salary for each band within the Commonwealth's Classified Compensation Plan by two percent plus an additional $2,400 on August 10, 2015, for purposes of implementing the salary compression compensation adjustment authorized in paragraph Q. of this item. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances where employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.

4. Out of the amounts for Supplements to Employee Compensation is included $37,847,008 the second year from the general fund to support the general fund portion of costs associated with the salary increase provided in this paragraph.

5. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans:

a. The heads of agencies in the Legislative and Judicial Departments;

b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;

c. The Attorney General;

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d. The Director of the Virginia Retirement System;

e. The Director of the Virginia Lottery;

f. The Director of the University of Virginia Medical Center;

g. The Executive Director of the Virginia College Savings Plan; and

h. The Executive Director of the Virginia Port Authority.

6. The base rates of pay, and related employee benefits, for wage employees may be increased by up to two percent no earlier than August 10, 2015. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

7. The governing authorities of those state institutions of higher education with employees may provide a salary adjustment based on performance and other employment-related factors, as long as the increases do not exceed the two percent increase on average.

Q. Contingent on the provisions of paragraph O.1. above and subsequent to effectuating the salary adjustment authorized in paragraphs P. and T. of this item, the base salary of employees listed in P.1. above, except those specifically excluded in subparagraph Q.1, shall be adjusted to address state employee salary compression effective August 10, 2015 as follows:

1. Employees excluded from the compression adjustment include:

a) Faculty at public institutions of higher education;

b) Judges and Justices of the Judicial Department;

c) Commissioners of the State Corporation Commission;

d) Commissioners of the Virginia Workers' Compensation Commission;

e) Employees of public institutions of higher education who are not faculty but are also not subject to the Virginia Personnel Act;

f) Legislative Assistants who are employees of individual members of the General Assembly.

2. Sworn employees of the Department of State Police, who have three or more years of continuous state service shall receive $80 for each full year of service up to thirty years.

3. Except for those listed in subparagraph 2. above, employees who have five years or more of continuous state service shall be increased by $65 for each full year of service up to thirty years.

4. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.

5. The Department of Human Resource Management shall develop guidelines and procedures for implementation of this salary compression compensation adjustment.

6. Out of the appropriation Employee Compensation Supplements, $26,277,547 the second year from the general fund is included to support the general fund costs associated with the salary adjustment authorized in this paragraph.

R.1. Contingent on the provisions of paragraph O.1. above, the base salary of the following employees shall be increased by two percent on September 1, 2015:

a. Locally elected constitutional officers;

b. General Registrars and members of local electoral boards;

c. Full-time employees of locally elected constitutional officers and,

d. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention

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and local court service units, local social services boards, local pretrial services act and comprehensive community corrections act employees, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.

2. Out of the appropriation for Supplements to Employee Compensation is included $13,302,324 the second year from the general fund to support the costs associated with the salary increase provided in this paragraph.

S. Contingent on the provisions of paragraph O.1. above, $357,664 from the general fund is provided to support the general fund costs associated with increases in the internal service fund rates for the Virginia Information Technology Agency and the Department of General Services to reflect the impact of the salary actions authorized in paragraphs P and Q of this Item.

T.1. Contingent on the provisions of paragraph O.1. above, and pursuant to the recommendation of the state employee compensation work group established by paragraph B of Item 255, Chapter 806 of the Acts of Assembly of 2013, there is herewith appropriated a sum of $3,786,466 to be used exclusively for a two percent adjustment to the base salary of state employees in the following high turnover job roles effective August 10, 2015 for the purposes of relieving salary compression and maintaining market relevance:

a. Law Enforcement Officer I

b. Direct Service Associate I

c. Direct Service Associate II

d. Direct Service Associate III

e. Housekeeping and/or Apparel Worker I

f. Probation Officer Assistant

g. Emergency Coordinator I

h. Emergency Coordinator II

i. Registered Nurse I

j. Registered Nurse II/Nurse Practitioner I/Physician's Assistant

k. Licensed Practical Nurse

l. Therapy Assistant/Therapist I

m. Therapist II

n. Compliance / Safety Officer II

o. District Court Deputy Clerk, Grade 6

p. District Court Deputy Clerk, Grade 7

q. District Court Deputy Clerk, Grade 8

2.a Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.

b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. The governing authorities of those agencies and state institutions of higher education with employees not subject to the Virginia Personnel Act shall certify to the Department of Human Resource Management that employees receiving the awards are performing at

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levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.

3. The salary increase authorized in this paragraph is intended to be in addition to any other salary increase authorized in this act.

U. Contingent on the provisions of subparagraph O.1. above, included in the amounts appropriated for employee benefits in this item is $32,341,432 from the general fund the second year to increase the employer retirement contribution rates authorized in paragraph H.2. of this item, effective August 10, 2015, up to ninety percent of the board certified rate for state employees (14.22%), state police officers (27.83%), members of the Virginia Law Officers Retirement System (19.00%), and members of the judicial retirement system (50.02%).

V. Out of the appropriation for this item, $3,675,000 the second year shall be transferred to the Department of State Police for salary supplements, subject to the approval by the Secretary of Public Safety and Homeland Security of a salary compression plan for fiscal year 2016. No funds shall be included within such plan for employees of the Department of State Police with less than three years of service as of July 1, 2015. The plan shall be implemented effective August 10, 2015 and the total annualized cost of the pay plan shall not exceed $4,410,000. No employee receiving an adjustment under this plan shall receive a salary adjustment pursuant to the funding provided in this paragraph of more than seven percent. Prior to the implementation of this plan, copies of the approved plan shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees.

W. 1. Notwithstanding the provisions of § 17.1-327, Code of Virginia, any justice, judge, member of the State Corporation Commission, or member of the Virginia Workers' Compensation Commission who is retired under the Judicial Retirement System and who is temporarily recalled to service shall be reimbursed for actual expenses incurred during such service and shall be paid a per diem of $250 for each day the person actually sits, exclusive of travel time.

2. Out of the general fund appropriation for this Item, $500,000 is included in the second year to support the costs resulting from the changes in the per diem amounts provided for in paragraph W.1. The Director, Department of Planning and Budget, shall disburse funding from this Item to all affected judicial and independent agencies upon request.

X. The Director, Department of Planning and Budget, shall withhold and transfer to this Item, an amount estimated at $599,676 the second year from the general fund appropriations of state agencies and institutions of higher education, representing savings from the Line of Duty Act premiums provided by the Virginia Retirement System.

Y. The Director, Department of Planning and Budget, shall withhold and transfer to this Item, an amount estimated at $1,664,278 the second year from the general fund appropriations of state agencies and institutions of higher education, representing savings from the workers' compensation premiums provided by the Department of Human Resource Management.

Z. On or before June 30, 2016, the State Comptroller shall deposit $172,682,948 from the general fund into the Virginia Retirement System (VRS) trust fund representing the expedited repayment to the VRS for the contributions that were deferred during the 2010-12 biennium. Of the amount provided, $145,606,674 from the deposit shall be allocated to the state employee plan; $8,465,759 shall be allocated to the Judicial Retirement System; $16,491,559 shall be allocated to the Virginia Law Officers Retirement System; and $2,118,956 shall be allocated to the State Police Officers Retirement System.

468.	Payments for Special or Unanticipated Expenditures (75800)			$7,660,169	~~$9,783,298~~ *$14,413,298*
	Miscellaneous Contingency Reserve Account (75801)	$1,800,000	$1,800,000		
	Undistributed Support for Designated State Agency Activities (75806)	$5,860,169	~~$7,983,298~~ *$12,613,298*		

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Fund Sources: General	$7,660,169	~~$9,783,298~~ *$14,413,298*		

A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an amount not to exceed $2,000,000 from the unappropriated balance derived by subtracting the general fund appropriations from the projected general fund revenues in this act, to provide for supplemental funds pursuant to paragraph D hereof. Transfers from this Item shall be made only when (1) sufficient funds are not available within the agency's appropriation and (2) additional funds must be provided prior to the end of the next General Assembly Session.

B.1. The Governor is authorized to allocate from the unappropriated general fund balance in this act such amounts as are necessary to provide for unbudgeted cost increases to state agencies incurred as a result of actions to enhance homeland security, combat terrorism, and to provide for costs associated with the payment of a salary supplement for state classified employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard. Any salary supplement provided to state classified employees ordered to active duty, shall apply only to employees who would otherwise earn less in salary and other cash allowances while on active duty as compared to their base salary as a state classified employee. Guidelines for such payments shall be developed by the Department of Human Resource Management in conjunction with the Departments of Accounts and Planning and Budget.

2. The Governor shall submit a report within thirty days to the Chairmen of House Appropriations and Senate Finance Committees which itemizes any disbursements made from this Item for such costs.

3. The governing authority of the agencies listed in this subparagraph may, at its discretion and from existing appropriations, provide such payments to their employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard, as are necessary to provide comparable pay supplements to its employees.

a. Agencies in the Legislative and Judicial Departments;

b. The State Corporation Commission, the Virginia Workers' Compensation Commission, the Virginia Retirement System, the Virginia Lottery , Virginia College Savings Plan, and the Virginia Office for Protection and Advocacy;

c. The Office of the Attorney General and the Department of Law; and

d. State-supported institutions of higher education.

C. The Governor is authorized to expend from the unappropriated general fund balance in this act such amounts as are necessary, up to $1,500,000, to provide for indemnity payments to growers, producers, and owners for losses sustained as a result of an infectious disease outbreak or natural disaster in livestock and poultry populations in the Commonwealth. These indemnity payments will compensate growers, producers, and owners for a portion of the difference between the appraised value of each animal destroyed or slaughtered or animal product destroyed in order to control or eradicate an animal disease outbreak and the total of any salvage value plus any compensation paid by the federal government.

D. Out of the appropriation for this item is included $1,500,000 the first year and $1,500,000 the second year from the general fund to be used by the Governor as he may determine to be needed for the following purposes:

1. To address the six conditions listed in § 4-1.03 c 5 of this act.

2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential commodities and services which cannot be absorbed within agency appropriations to include unbudgeted benefits associated with Workforce Transition Act requirements.

3. To secure federal funds in the event that additional matching funds are needed for

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Virginia to participate in the federal Superfund program.

4. To make additional payments to public institutions of higher education pursuant to Item 464 of this Act, up to a maximum of $1,000,000, in the event that amounts appropriated for that purpose are insufficient.

5. To provide a payment of up to $100,000 to the Military Order of the Purple Heart, for the continued operation of the National Purple Heart Hall of Honor, provided that at least half of other states have made similar grants.

6. In addition, if the amounts appropriated in this Item are insufficient to meet the unanticipated events enumerated, the Governor may utilize up to $1,000,000 the first year and $1,000,000 the second year from the general fund amounts appropriated for the Commonwealth's Opportunity Fund for the unanticipated purposes set forth in paragraph D.1. through paragraph D.5. of this Item.

7. In addition, to provide for payment of monetary rewards to persons who have disclosed information of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act.

8. The Department of Planning and Budget shall submit a quarterly report of any disbursements made from, commitments made against, and requests made for such sums authorized for allocation pursuant to this paragraph to the Chairmen of the House Appropriations and Senate Finance Committees. This report shall identify each of the conditions specified in this paragraph for which the transfer is made.

9. Out of this appropriation, the Director, Department of Planning and Budget is authorized to transfer an amount up to $300,000 in the second year, to the Department of Behavioral Health and Developmental Services for the purpose of paying for community-based services for current residents of any state operated Intellectual Disability Training Center who request community placement and who are also not eligible for Medicaid funded Intellectual Disability Waiver services.

E. Included in this appropriation is $300,000 the first year and $300,000 the second year from the general fund to pay for private legal services and the general fund share of unbudgeted costs for enforcement of the 1998 Tobacco Master Settlement Agreement. Transfers for private legal services shall be made by the Director, Department of Planning and Budget upon prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510, Code of Virginia or Item 56, Paragraph D of this act. Transfers for enforcement of the Master Settlement Agreement shall be made by the Director, Department of Planning and Budget at the request of the Attorney General, pursuant to Item 56, Paragraph B of this act.

F. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or portion thereof, of any public facility pursuant to § 58.1-608.3, Code of Virginia, shall be entitled to all sales tax revenues generated by transactions taking place in such public facility.

G.1.a. The Federal Action Contingency Trust (FACT) Fund will have a balance estimated at $5,998,093 from the amounts appropriated in Item 470 K.1 of Chapter 2, 2012 Special Session I. This balance is hereby appropriated for the following purposes:

b. Up to $1,199,495 the first year and $436,998 the second year from the FACT Fund shall be provided to the Virginia Polytechnic Institute and State University for unmanned aircraft systems research and development.

I VETO THIS ITEM. /s/ Terence R. McAuliffe (6/21/14) (Vetoed item is enclosed in brackets.)

[c. The Director, Department of Planning and Budget shall revert the first year the undesignated and unobligated balances of the FACT Fund, estimated at $4,361,600, to the General Fund. **]**

2. There is hereby created an advisory commission to provide advice to the Governor concerning the use of the Federal Action Contingency Trust (FACT) Fund. The FACT Fund Advisory Commission is established as an advisory commission in the legislative branch and shall consist of 10 members, including the Chairman of the House Appropriations Committee and four members of the House Appropriations Committee selected by the chairman, the

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Chairman of the Senate Finance Committee and four members of the Senate Finance Committee selected by the chairman. The secretaries of Commerce and Trade, Health and Human Resources and Finance shall also be available to provide technical assistance to the advisory commission.

3. Prior to the distribution of any funds from the Federal Action Contingency Trust (FACT) Fund, The FACT Fund Advisory Commission shall review all prospective uses of the FACT Fund and recommend approval or denial of such uses to the Governor. The Governor shall also notify the chairmen of the Senate Finance Committee and the House Appropriations Committee in writing within ten days concerning his decision to distribute money from the FACT reserve.

H. Out of this appropriation, up to $1,000,000 the first year from the general fund is provided to reimburse the Department of General Services for the costs incurred to relocate the Department of Small Business and Supplier Diversity from private-leased space to a state-owned facility.

I.1. Out of this appropriation, $2,000,000 the second year from the general fund shall be provided to the City of Richmond for expenses incurred for the development of the Slavery and Freedom Heritage Site in Richmond, including Lumpkin's Pavilion and Slave Trail improvements. Of this amount, $1,000,000 shall be used for improvements to the Slave Trail, and $1,000,000 for costs associated with Lumpkin's Pavilion.

2. Prior to the receipt of state funds for the purpose set out in paragraph I.1., the Richmond City Council shall pass a resolution outlining its approval of and financial commitment to the proposed project and local matching funds in an amount totaling at least $5,000,000 which shall be appropriated by the City of Richmond for the project prior to receipt of any state funds. Release of state funding for Lumpkin's Pavilion shall also require evidence that the City of Richmond has raised at least fifty percent of the remaining funding required for that portion of the project from private or other sources.

3. At such time that the City of Richmond has completed construction of the respective improvements, the City of Richmond shall be eligible for reimbursement from the Commonwealth of an amount not to exceed $9,000,000, or up to twenty five percent of the total costs of each project.

4. State funding appropriated in paragraph I.1 and future appropriations considered in paragraph I.3, shall be allocated only as follows: no more than $5,000,000 shall be allocated for the planning, design, and construction of the Pavilion at Lumpkin's Jail, no more than $1,000,000 shall be allocated for improvements to the Richmond Slave Trail, and no more than $5,000,000 shall be allocated for the planning, design and construction of a slavery museum.

5. The City of Richmond shall provide documentation to the Department of General Services on the progress of this project and actual expenditures incurred for it in a form acceptable to the Secretaries of Finance and Administration.

6. In addition to the matching requirements set out in paragraph I.2, the City of Richmond shall provide and dedicate appropriate contiguous real estate prior to the receipt of any state funding for the purposes outlined in paragraph I.1 above.

7. The Department of General Services shall act as the fiscal agent for these funds. The director shall oversee the expenditure of state appropriations to ensure that payments to the City of Richmond are made consistent with the purposes set out in paragraphs I.1 and I.4. The Director, Department of Planning and Budget, is authorized to transfer these funds to the Department of General Services to implement this appropriation.

8. This appropriation shall be exempt from the disbursement procedures specified in § 4-5.05 of the act.

L. The State Comptroller shall revert to the general fund savings that are realized as a result of vacant judgeships. The reversion is estimated to be $1,500,000 on or before June 30, 2015 .

M. The Director, Department of Planning and Budget, shall transfer from this item,

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general fund amounts estimated at $4,860,169 the first year and $5,983,298 the second year to state agencies and institutions of higher education to support the general fund portion of costs resulting from the estimated usage of technology services provided by the Virginia Information Technologies Agency.				
N. Out of this appropriation, $3,830,000 the second year from the general fund is provided to cover the costs associated with the 2016 presidential primary. Out of this amount, up to $3,540,000 may be used by the Department of Elections to reimburse localities for their presidential primary expenditures and up to $290,000 may be used to cover costs incurred directly by the Department of Elections.				
O.1 Out of this appropriation, $800,000 the second year from the general fund is provided to assist the Center for Innovative Technology in addressing a projected operating shortfall for fiscal year 2016. Beginning in April 2016, the Center for Innovative Technology shall provide the Director, Department of Planning and Budget, and the Staff Directors of the House Appropriations Committee and the Senate Finance Committee, with monthly progress reports that depict the cash position of the Center and the itemized specific corrective actions taken to address the shortfall. If review of the monthly documentation indicates a good faith effort on the part of the Center to properly track and minimize the projected shortfall, the Director, Department of Planning and Budget, upon request of the Secretary of Technology, may transfer up to the $800,000 provided in this item to the Innovation and Entrepreneurship Investment Authority by June 30, 2016.				
2. Furthermore, any form of proposed increase in employee compensation above the base salaries of employees, including one-time bonuses, except for salary adjustments explicitly authorized in this Act, must be communicated to the Director, Department of Planning and Budget, and the Staff Directors of the House Appropriations Committee and the Senate Finance Committee, more than ninety days in advance of effectuating such increase.				
469. Not set out.				
470. Not set out.				
471. Not set out.				
471.10 Not set out.				
471.30 Not set out.				
471.40 Not set out.				
Total for Central Appropriations			**$139,777,485**	**~~$279,533,883~~ *$454,582,877***
Fund Sources: General	$20,354,046	~~$160,205,978~~ *$335,254,972*		
Trust and Agency	$119,423,439	$119,327,905		
TOTAL FOR CENTRAL APPROPRIATIONS			**$139,777,485**	**~~$279,533,883~~ *$454,582,877***
Fund Sources: General	$20,354,046	~~$160,205,978~~ *$335,254,972*		
Trust and Agency	$119,423,439	$119,327,905		
TOTAL FOR EXECUTIVE DEPARTMENT			**$45,928,393,158**	**~~$47,432,073,327~~ *$48,460,271,095***
General Fund Positions	48,850.51	~~48,967.06~~ *48,992.12*		
Nongeneral Fund Positions	62,518.27	~~62,839.52~~ *62,840.46*		
Position Level	111,368.78	~~111,806.58~~ *111,832.58*		
Fund Sources: General	$17,710,185,367	~~$18,091,284,346~~ *$18,429,561,361*		

ITEM 471.40.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Special	$1,649,764,832	~~$1,657,543,565~~ *$1,657,466,060*		
	Higher Education Operating	$7,919,651,888	$8,029,624,917		
	Commonwealth Transportation	$4,366,904,031	~~$4,647,312,774~~ *$4,975,833,550*		
	Enterprise	$1,015,359,274	~~$1,090,913,246~~ *$1,139,492,696*		
	Internal Service	$1,771,892,976	~~$1,801,509,481~~ *$1,908,509,481*		
	Trust and Agency	$2,300,134,969	~~$2,561,088,909~~ *$2,569,472,621*		
	Debt Service	$326,199,813	$328,161,549		
	Dedicated Special Revenue	$1,793,007,919	~~$1,740,019,625~~ *$1,768,169,625*		
	Federal Trust	$7,075,292,089	~~$7,484,614,915~~ *$7,653,979,235*		

ITEM 472.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	INDEPENDENT AGENCIES				
	§ 1-38. STATE CORPORATION COMMISSION (171)				
472.	Not set out.				
473.	Not set out.				
474.	Not set out.				
475.	Not set out.				
476.	Plan Management (40800)			$1,200,133	~~$1,200,446~~ *$200,446*
	Federal Health Benefit Exchange Plan Management (40801)	$1,200,133	~~$1,200,446~~ *$200,446*		
	Fund Sources: General	$1,200,133	~~$1,200,446~~ *$200,446*		
	Authority: §§ 38.2-316.1 and 38.2-326, Code of Virginia; §42.18041 c, United States Code.				
	A. There is hereby appropriated to the State Corporation Commission an amount not to exceed $1,200,133 the first year and ~~$1,200,446~~ *$200,446* the second year from the general fund to pay for the plan management functions authorized in Chapter 670 of the Acts of Assembly of 2013. The ~~commission~~ *State Corporation Commission* shall reimburse the general fund for the plan management activities performed by the commission, as part of the Federal Health Benefit Exchange, only for those funds that have been reimbursed by the U.S. Department of Health and Human Services for carrying out the plan management activities as part of the Federal Health Benefit Exchange.				
	B. On or before June 30, 2015 and June 30, 2016, the Director, Department of Planning and Budget shall authorize the reversion to the general fund of $1,200,133 the first year and ~~$1,200,446~~ *the unexpended appropriation from this Item in* the second year representing the reimbursement from federal funds received by the State Corporation Commission ~~(commission)~~ for the plan management activities performed by the ~~C~~commission as part of the Federal Health Benefit Exchange as specified in Item 476.10 of Chapter 806, 2013 Acts of Assembly.				
	Total for State Corporation Commission			**$95,611,736**	~~**$95,612,049**~~ ***$94,612,049***
	General Fund Positions	13.00	~~13.00~~ *0.00*		
	Nongeneral Fund Positions	665.00	665.00		
	Position Level	678.00	~~678.00~~ *665.00*		
	Fund Sources: General	$1,200,133	~~$1,200,446~~ *$200,446*		
	Special	$82,422,495	$82,422,495		
	Trust and Agency	$6,856,941	$6,856,941		
	Dedicated Special Revenue	$1,782,167	$1,782,167		
	Federal Trust	$3,350,000	$3,350,000		
477.	Not set out.				
478.	Not set out.				
	§ 1-39. VIRGINIA COLLEGE SAVINGS PLAN (174)				
479.	Investment, Trust, and Insurance Services (72500) a sum sufficient, estimated at			$165,540,967	~~$192,326,809~~ *$193,328,109*

ITEM 479.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Payments for Tuition and Educational Expense Benefits (72505)	$156,300,000	$183,000,000		
	~~Investment, Trust and Related Services for Virginia529 prePAID Program (72506)~~				
	Investment, Trust and Related Services for Virginia529 prePAID Program (72506)	$4,701,300	~~$4,769,504~~ *$5,770,804*		
	~~Investment, Trust and Related Services for Virginia529 inVEST Program and other Higher Education Savings Programs (72507)~~				
	Investment, Trust and Related Services for Virginia529 inVEST Program and other Higher Education Savings Programs (72507)	$4,539,667	$4,557,305		
	Fund Sources: Enterprise	$165,540,967	~~$192,326,809~~ *$193,328,109*		

Authority: Title 23, Chapter 4.9, Code of Virginia.

A. Amounts for Payments for Tuition and Educational Expense Benefits represent the payment of benefits to postsecondary educational institutions on behalf of program participants under the Virginia529 prePAID Program, estimated at $156,000,000 the first year and $183,000,000 the second year, from nongeneral funds pursuant to § 23-38.76, Code of Virginia.

B. Any moneys collected, distributed or held for the benefit of participants under the Virginia529 inVEST Program and other higher education savings programs, including any income from such funds, are not subject to the provisions of §§ 2.2-1800 through 2.2-1825, inclusive, or § 23-38.76 (A) of the Code of Virginia requiring deposit in the State Treasury. This provision does not apply to the Virginia529 prePAID Program, or Plan administrative fee revenue.

C. Amounts for Payments for Tuition and Educational Expense Benefits cover the current obligations of the fund as provided for in Title 23, Chapter 4.9, Code of Virginia.

D. Amounts for Investment, Trust and Related Services cover variable or unpredictable costs of the Virginia529 prePAID Program, estimated at $4,701,300 the first year and $4,769,504 the second year, from nongeneral funds pursuant to § 23-38.76, Code of Virginia.

E. Amounts for Investment, Trust and Related Services cover variable and unpredictable costs of the Virginia529 inVEST Program and other higher education savings programs, estimated at $4,539,667 the first year and $4,557,305 the second year, from nongeneral funds pursuant to § 23-38.76, Code of Virginia.

480. Not set out.

481. Not set out.

	Total for Virginia College Savings Plan			**$178,598,894**	**~~$205,337,282~~** ***$206,338,582***
	Nongeneral Fund Positions	105.00	105.00		
	Position Level	105.00	105.00		
	Fund Sources: Enterprise	$178,598,894	~~$205,337,282~~ *$206,338,582*		

§ 1-40. VIRGINIA RETIREMENT SYSTEM (158)

482.	Personnel Management Services (70400)			$12,386,585	~~$12,386,585~~ *$12,511,290*
	Administration of Retirement and Insurance Programs (70415)	$12,386,585	~~$12,386,585~~ *$12,511,290*		
	Fund Sources: *General*	*$0*	*$124,705*		
	Trust and Agency	$12,386,585	$12,386,585		

ITEM 482.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.				
A. The Board of Trustees of the Virginia Retirement System is hereby authorized to charge a participation fee to each employer served by the Virginia Retirement System for any services provided pursuant to Title 51.1, Code of Virginia. The fee shall be utilized to pay the administrative expenses of all administrative services, including non-retirement programs. Retirement contributions required by the Board shall be reduced to pay such fees in a manner prescribed by the Board of Trustees.				
B. State agencies and institutions of higher education shall make payments to the Virginia Retirement System (VRS) for VRS-administered benefits no less often than monthly.				
C.1. The Virginia Retirement System shall make those changes to administrative policies, procedures, and systems as are necessary for implementation of the public employee retirement reforms provided for in Chapter 701 of the Acts of Assembly of 2012.				
2. Out of the amounts appropriated to this Item, $1,420,956 the first year and $1,420,956 the second year is designated to implement the employee retirement reforms provided for in Chapter 701 of the Acts of Assembly of 2012.				
D. Out of this appropriation, $124,705 the second year from the general fund is provided for expenses associated with the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund.				
483. Not set out.				
484. Administrative and Support Services (79900)			$29,120,424	~~$29,801,924~~ *$34,280,924*
General Management and Direction (79901)	$15,651,563	~~$16,254,063~~ *$20,733,063*		
Information Technology Services (79902)	$13,468,861	$13,547,861		
Fund Sources: Trust and Agency	$29,120,424	~~$29,801,924~~ *$34,280,924*		
Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.				
Out of the amounts appropriated to this Item, the director is authorized to expend an amount not to exceed $25,000 the first year and $25,000 the second year for expenses commonly borne by business enterprises. Such expenses shall be recorded separately by the agency.				
485. Not set out.				
Total for Virginia Retirement System			**$70,641,983**	~~**$71,323,483**~~ ***$75,927,188***
Nongeneral Fund Positions	335.00	335.00		
Position Level	335.00	335.00		
Fund Sources: *General*	*$0*	*$124,705*		
Trust and Agency	$70,641,983	~~$71,323,483~~ *$75,802,483*		
486. Not set out.				
487. Not set out.				
TOTAL FOR INDEPENDENT AGENCIES			**$484,581,539**	~~**$513,454,656**~~ ***$518,059,661***
General Fund Positions	13.00	~~13.00~~ *0.00*		
Nongeneral Fund Positions	1,688.00	1,688.00		
Position Level	1,701.00	~~1,701.00~~ *1,688.00*		
Fund Sources: General	$1,200,133	~~$1,200,446~~ *$325,151*		

ITEM 487.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Special	$82,422,495	$82,422,495		
	Enterprise	$275,891,541	~~$302,656,483~~ *$303,657,783*		
	Trust and Agency	$77,498,924	~~$78,180,424~~ *$82,659,424*		
	Dedicated Special Revenue	$43,648,446	$44,144,808		
	Federal Trust	$3,920,000	$4,850,000		

ITEM 488.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
STATE GRANTS TO NONSTATE ENTITIES				
488. Not set out.				
TOTAL FOR STATE GRANTS TO NONSTATE ENTITIES			**$0**	**$0**
TOTAL FOR PART 1: OPERATING EXPENSES			**$46,979,567,188**	**~~$48,513,056,758~~ *$49,546,821,183***
General Fund Positions	52,704.72	~~52,826.27~~ *52,840.33*		
Nongeneral Fund Positions	64,338.77	~~64,660.02~~ *64,660.96*		
Position Level	117,043.49	~~117,486.29~~ *117,501.29*		
Fund Sources: General	$18,240,038,523	~~$18,622,747,478~~ *$18,960,692,287*		
Special	$1,745,446,448	~~$1,752,461,816~~ *$1,752,802,874*		
Higher Education Operating	$7,919,651,888	$8,029,624,917		
Commonwealth Transportation	$4,366,904,031	~~$4,647,312,774~~ *$4,975,833,550*		
Enterprise	$1,291,250,815	~~$1,393,569,729~~ *$1,443,150,479*		
Internal Service	$1,771,892,976	~~$1,801,509,481~~ *$1,908,509,481*		
Trust and Agency	$2,377,749,601	~~$2,639,385,050~~ *$2,652,247,762*		
Debt Service	$326,199,813	$328,161,549		
Dedicated Special Revenue	$1,859,657,567	~~$1,807,251,110~~ *$1,835,401,110*		
Federal Trust	$7,080,775,526	~~$7,491,032,854~~ *$7,660,397,174*		

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PART 2: CAPITAL PROJECT EXPENSES

§ 2-0. GENERAL CONDITIONS

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

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

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

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

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

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

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

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

2. Agencies and institutions of higher education can expend up to $1,000,000 for a single repair or project through the maintenance reserve appropriation without a separate appropriation. Such expenditures shall be subject to rules and regulations prescribed by the Governor. To the extent an agency or institution of higher education has identified a potential project that exceeds this threshold or state agency has identified a potential project that exceeds the threshold prescribed in the rules or regulations, the Director, Department of Planning and Budget, can provide exemptions to the threshold as long as the project still meets the definition of a maintenance reserve project as defined by the Department of Planning and Budget.

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

F. Conditions Applicable to Bond Projects

1. The capital projects listed in §§ 2-23 and 2-24 for the indicated agencies and institutions of higher education are hereby authorized and sums from the sources and in the amount indicated are hereby appropriated and reappropriated. The issuance of bonds in a principal amount plus amounts needed to fund issuance costs, reserve funds, and other financing expenses, including capitalized interest for any project listed in §§ 2-23 and 2-24 is hereby authorized.

2. The issuance of bonds for any project listed in § 2-23 is to be separately authorized pursuant to Article X, Section 9 (c), Constitution of Virginia.

3. The issuance of bonds for any project listed in §§ 2-23 or 2-24 shall be authorized pursuant to § 23-19, Code of Virginia.

4. In the event that the cost of any capital project listed in §§ 2-23 and 2-24 shall exceed the amount appropriated therefore, the Director, Department of Planning and Budget, is hereby authorized, upon request of the affected institution, to approve an increase in appropriation authority of not more than ten percent of the amount designated in §§ 2-23 and 2-24 for such project, from any available nongeneral fund revenues, provided that such increase shall not constitute an increase in debt issuance authorization for such capital project. Furthermore, the Director, Department of Planning and Budget, is hereby authorized to approve the expenditure of all interest earnings derived from the investment of bond proceeds in addition to the amount designated in §§ 2-23 and 2-24 for such capital project.

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5. The interest on bonds to be issued for these projects may be subject to inclusion in gross income for federal income tax purposes.

6. Inclusion of a project in this act does not imply a commitment of state funds for temporary construction financing. In the absence of such commitment, the institution may be responsible for securing short-term financing and covering the costs from other sources of funds.

7. In the event that the Treasury Board determines not to finance all or any portion of any project listed in § 2-23 of this act with the issuance of bonds pursuant to Article X, Section 9 (c), Constitution of Virginia, and notwithstanding any provision of law to the contrary, this act shall constitute the approval of the General Assembly to finance all or such portion of such project under the authorization of § 2-24 of this act.

8. The General Assembly further declares and directs that, notwithstanding any other provision of law to the contrary, 50 percent of the proceeds from the sale of surplus real property pursuant to § 2.2-1147 et seq., Code of Virginia, which pertain to the general fund, and which were under the control of an institution of higher education prior to the sale, shall be deposited in a special fund set up on the books of the State Comptroller, which shall be known as the Higher Education Capital Projects Fund. Such sums shall be held in reserve, and may be used, upon appropriation, to pay debt service on bonds for the 21st Century College Program as authorized in Item C-7.10 of Chapter 924 of the Acts of Assembly of 1997.

G. Upon certification by the Director, Department of Planning and Budget, there is hereby reappropriated the appropriations unexpended at the close of the previous biennium for all authorized capital projects which meet any of the following conditions:

1. Construction is in progress.

2. Equipment purchases have been authorized by the Governor but not received.

3. Plans and specifications have been authorized by the Governor but not completed.

4. Obligations were outstanding at the end of the previous biennium.

H. The Department of Planning and Budget is hereby authorized to administratively appropriate any nongeneral fund component of any capital project authorized in Chapters 859/827 (2002), Chapters 884/854 (2002), or Chapters 887/855 (2002).

I. Alternative Financing

1. Any agency or institution of the Commonwealth that would construct, purchase, lease, or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, shall provide a report to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees no less than 30 days prior to entering into such alternative financing agreement. This report shall provide:

a. a description of the purpose to be achieved by the proposal;

b. a description of the financing options available, including the alternative financing, which will delineate the revenue streams or client populations pledged or encumbered by the alternative financing;

c. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the Commonwealth;

d. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the clients of the agency or institution; and

e. a recommendation and planned course of action based on this analysis.

J. Conditions Applicable to Alternative Financing

The following authorizations to construct, purchase, lease or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, are continued until revoked:

1. James Madison University

a. Subject to the provisions of this act, the General Assembly authorizes James Madison University, with the approval of the Governor, to explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23-19(d)(4), Code of Virginia.

b. The General Assembly authorizes James Madison University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in

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accordance with the guidelines cited in paragraph 1 of this item. James Madison University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

c. The General Assembly further authorizes James Madison University to enter into a written agreement with the public or private entity for the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

2. Longwood University

a. Subject to the provisions of this act, the General Assembly authorizes Longwood University to enter into a written agreement or agreements with the Longwood University Real Estate Foundation (LUREF) for the development, design, construction and financing of student housing projects, a convocation center, parking, and operational and recreational facilities through alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.

b. Longwood is further authorized to enter into a written agreement with the LUREF for the support of such student housing, convocation center, parking, and operational and recreational facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

c. The General Assembly further authorizes Longwood University to enter into a written agreement with a public or private entity to plan, design, develop, construct, finance, manage and operate a facility or facilities to provide additional student housing and/or operational-related facilities. Longwood University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenue bonds issued by or for the benefit of LUREF will provide construction and/or permanent financing.

d. Longwood University is further authorized to convey fee simple title in and to one or more parcels of land to LUREF, which will develop and use the land for the purpose of developing and establishing residential housing for students and/or faculty and staff, office, retail, athletics, dining, student services, and other auxiliary activities and commercial land use in accordance with the University's Master Plan.

3. Christopher Newport University

a. Subject to the provisions of this act, the General Assembly authorizes Christopher Newport University to enter into, continue, extend or amend written agreements with the Christopher Newport University Educational Foundation (CNUEF) or the Christopher Newport University Real Estate Foundation (CNUREF) in connection with the refinancing of certain housing and office space projects.

b. Christopher Newport University is further authorized to enter into, continue, extend or amend written agreements with CNUEF or CNUREF to support such facilities including agreements to (i) lease all or a portion of such facilities from CNUEF or CNUREF, (ii) include such facilities in the University's building inventory, (iii) manage the operation and maintenance of the facilities, including collection of any rental fees from University students in connection with the use of such facilities, and (iv) otherwise support the activities at such facilities consistent with law, provided that the University shall not be required to take any action that would constituting a breach of the University's obligation under any documents or instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

4. Radford University

a. Subject to the provisions of this act, the General Assembly authorizes Radford University, with the approval of the Governor, to explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23-19(d)(4), Code of Virginia.

b. The General Assembly authorizes Radford University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. Radford University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

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c. The General Assembly further authorizes Radford University to enter into a written agreement with the public or private entity for the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

5. University of Mary Washington

a. Subject to the provisions of this act, the General Assembly authorizes the University of Mary Washington to enter into a written agreement or agreements with the University of Mary Washington Foundation (UMWF) to support student housing projects and/or operational-related facilities through alternative financing agreements including public-private partnerships.

b. The University of Mary Washington is further authorized to enter into written agreements with UMWF to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's students housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) seek to obtain police power over the student housing as provided by law; and (v) otherwise support the students housing facilities consistent with law, provided that the University's obligation under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

c. The General Assembly further authorizes the University of Mary Washington to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional student housing and/or operational-related facilities. The facility or facilities may or may not be located on property owned by the Commonwealth. The University of Mary Washington is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenue bonds issued by or for UMWF will provide construction and/or permanent financing.

6. Norfolk State University

a. Subject to the provisions of this act, the General Assembly authorizes Norfolk State University to enter into a written agreement or agreements with a Foundation of the University for the development of one or more student housing projects on or adjacent to campus, subject to the conditions outlined in the Public-Private Education Facilities Infrastructure Act of 2002.

b. Norfolk State University is further authorized to enter into written agreements with a Foundation of the University to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's student housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) restrict construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and (vi) otherwise support the student housing facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

7. Northern Virginia Community College - Alexandria Campus

The General Assembly authorizes Northern Virginia Community College, Alexandria Campus to enter into a written agreement either with its affiliated foundation or a private contractor to construct a facility to provide on-campus housing on College land to be leased to said foundation or private contractor for such purposes. Northern Virginia Community College, Alexandria Campus, is also authorized to enter into a written agreement with said foundation or private contractor for the support of such student housing facilities and management of the operation and maintenance of the same.

8. Virginia State University

a. Subject to the provisions of this act, the General Assembly authorizes Virginia State University (University) to enter into a written agreement or agreements with the Virginia State University Foundation (VSUF), Virginia State University Real Estate Foundation (VSUREF), and other entities owned or controlled by the university for the development, design, construction, financing, and management of a mixed-use economic development corridor comprising student housing, parking, and dining facilities through alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.

b. Virginia State University is further authorized to enter into a written agreement with the VSUREF, VSUF, and other entities owned or controlled by the university for the support of such a mixed-use economic development corridor comprising student housing, parking, and dining facilities by including these projects in the university's facility inventory and managing their operation and

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maintenance; by assigning parking authorizations, students and/or operations to the facility or facilities in preference to other university facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the university shall not be required to take any action that would constitute a breach of the university's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia.

9. The following individuals, and members of their immediate family, may not engage in an alternative financing arrangement with any agency or institution of the Commonwealth, where the potential for financial gain, or other factors may cause a conflict of interest:

a. A member of the agency or institution's governing body;

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

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

K. The budget bill submitted by the Governor shall include a synopsis of previous appropriations for capital projects from the General Assembly and authorizations by the Governor for such projects.

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

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

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

O. The Governor shall provide the Chairmen of the Senate Finance and House Appropriations Committees an opportunity to review the six year capital improvement plan prior to the beginning of each new biennial budget cycle.

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

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

R. Notwithstanding any other provision of law, the following shall govern the real estate purchase and exchange agreement for Western State Hospital between the Commonwealth of Virginia and the City of Staunton. The City of Staunton shall remit the $15 million for the property sale as follows:

1) the first payment of $5 million on October 1, 2012;

2) the second payment of $5 million on January 1, 2013; and,

3) the final payment of $5 million on April 1, 2013.

Further, this item eliminates the requirement that the City of Staunton maintain a $15 million line of credit to ensure its payment.

S. Working in collaboration with the members of the Supreme Court of Virginia and the members of the Court of Appeals of Virginia, the Executive Secretary of the Supreme Court, in consultation with the Director of the Department of General Services, is directed to develop a comprehensive plan that meets the future space needs around Capitol Square of both courts, and which is acceptable to the Chief Justice of the Supreme Court of Virginia and the Chief Judge of the Court of Appeals of Virginia.

EXECUTIVE DEPARTMENT

OFFICE OF ADMINISTRATION

C-1. Not set out.

ITEM C-1.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	TOTAL FOR OFFICE OF ADMINISTRATION.....			**$0**	**$0**
	OFFICE OF AGRICULTURE AND FORESTRY				
C-1.05	Not set out.				
	TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY.....			**$0**	**$1,821,000**
	Fund Sources: Special.....	$0	$1,821,000		
	OFFICE OF EDUCATION				
C-2.	Not set out.				
C-3.	Not set out.				
C-4.	Not set out.				
C-4.10	Not set out.				
C-5.	Not set out.				
C-6.	Not set out.				
C-6.50	Not set out.				
C-7.	Not set out.				
C-7.10	Not set out.				
C-7.20	Not set out.				
C-8.	Not set out.				
C-8.10	Not set out.				
C-8.20	Not set out.				
C-8.30	Not set out.				
C-8.35	Not set out.				
C-8.40	Not set out.				
C-8.50	Not set out.				
C-9.	Not set out.				
C-10.	Not set out.				
C-11.	Not set out.				
C-12.	Not set out.				
C-13.	Not set out.				
C-13.05	Not set out.				
C-13.10	Not set out.				
C-13.20	Not set out.				
C-13.30	Not set out.				
C-14.	Not set out.				
C-14.10	Not set out.				
C-15.	Not set out.				
C-16.	Not set out.				

ITEM C-16.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
C-17.	Not set out.				
C-17.10	Not set out.				
C-18.	Not set out.				
C-19.01	Not set out.				
C-19.02	Not set out.				
C-19.03	Not set out.				
C-19.04	Not set out.				
C-19.05	Not set out.				
C-19.06	Not set out.				
C-19.10	Not set out.				
C-20.	Omitted.				
C-20.10	Not set out.				
C-20.20	Not set out.				
C-21.	Not set out.				
	TOTAL FOR OFFICE OF EDUCATION			**$490,331,705**	**$182,850,351**
	Fund Sources: General	$0	$8,438,013		
	Special	$0	$190,000		
	Higher Education Operating	$44,794,000	$51,322,338		
	Bond Proceeds	$445,537,705	$122,900,000		
	OFFICE OF HEALTH AND HUMAN RESOURCES				
C-21.05	Omitted.				
	TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES			**$0**	**$0**
	OFFICE OF NATURAL RESOURCES				
C-22.	Not set out.				
C-23.	Not set out.				
C-24.	Not set out.				
C-25.	Not set out.				
C-25.10	Not set out.				
C-25.20	Not set out.				
C-25.30	Not set out.				
C-25.40	Not set out.				
C-25.50	Not set out.				
	TOTAL FOR OFFICE OF NATURAL RESOURCES			**$4,080,000**	**$8,122,463**
	Fund Sources: General	$0	$3,130,463		
	Special	$0	$2,242,000		
	Dedicated Special Revenue	$2,196,522	$1,864,022		

ITEM C-25.50.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
	Federal Trust	$1,883,478	$885,978		

OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY

C-26. Not set out.

C-26.10 Not set out.

C-26.20 Not set out.

§ 2-1. DEPARTMENT OF MILITARY AFFAIRS (123)

C-27. Not set out.

C-28. Not set out.

C-29. Not set out.

C-30. Omitted.

C-30.10 Not set out.

C-30.20 Not set out.

	Total for Department of Military Affairs			**$3,821,000**	**$39,548,400**
	Fund Sources: Special	$0	$25,000		
	Federal Trust	$3,821,000	$39,523,400		

C-31. Not set out.

	TOTAL FOR OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY			**$14,321,000**	**$39,548,400**
	Fund Sources: Special	$1,500,000	$25,000		
	Federal Trust	$3,821,000	$39,523,400		
	Bond Proceeds	$9,000,000	$0		

OFFICE OF VETERANS AND DEFENSE AFFAIRS

C-32. Not set out.

C-32.05 Not set out.

	TOTAL FOR OFFICE OF VETERANS AND DEFENSE AFFAIRS			**$561,539**	**$561,539**
	Fund Sources: Special	$161,539	$161,539		
	Federal Trust	$400,000	$400,000		

OFFICE OF TRANSPORTATION

C-33. Not set out.

C-34. Not set out.

C-34.10 Not set out.

C-35. Not set out.

C-36. Not set out.

C-37. Not set out.

§ 2-2. VIRGINIA PORT AUTHORITY (407)

C-38. Omitted.

ITEM C-39.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
C-39.	Omitted.				
C-40.	Not set out.				
C-40.10	Not set out.				
C-40.20	Not set out.				
	Total for Virginia Port Authority			**$37,000,000**	**$0**
	Fund Sources: Special	$37,000,000	$0		
	TOTAL FOR OFFICE OF TRANSPORTATION			**$77,891,817**	**$41,787,683**
	Fund Sources: Special	$37,000,000	$0		
	Commonwealth Transportation	$40,891,817	$41,787,683		

CENTRAL APPROPRIATIONS

§ 2-3. CENTRAL CAPITAL OUTLAY (949)

C-41.	Central Maintenance Reserve (15776)			$75,200,000	$84,500,000
	Fund Sources: General	$200,000	$9,500,000		
	Bond Proceeds	$75,000,000	$75,000,000		

A.1. A total of $75,000,000 the first year and $75,000,000 the second year is hereby authorized for issuance by the Virginia Public Building Authority pursuant to § 2.2-2263 Code of Virginia, and/or the Virginia College Building Authority pursuant to § 23-30.24 et seq., Code of Virginia, for capital costs of maintenance reserve projects.

2. Out of this appropriation $9,500,000 the second year from the general fund is designated for capital costs of maintenance reserve projects.

B. The proceeds of such bonds previously authorized in paragraph A.1. and the general fund provided from paragraph A.2. are hereby appropriated for the capital costs of the following maintenance reserve projects:

Agency Name/Code	Project Code	FY 2015	FY 2016
Department of Military Affairs (123)	10893	$626,652	$666,528
Department of Emergency Management (127)	15989	$100,000	$100,000
The Science Museum of Virginia (146)	13634	$404,353	$633,655
Department of State Police (156)	10886	$313,964	$537,514
Department of General Services (194)	14260	$5,450,537	$6,577,729
Department of Conservation and Recreation (199)	16646	$2,285,849	$2,431,305
The Library of Virginia (202)	17423	$100,000	$167,857
Woodrow Wilson Rehabilitation Center (203)	10885	$381,197	$473,311
The College of William and Mary (204)	12713	$1,948,551	$2,072,544
University of Virginia (207)	12704	$7,231,247	$7,691,395
Virginia Polytechnic Institute and State University (208)	12707	$8,021,374	$8,531,800
Virginia Military Institute (211)	12732	$1,146,150	$1,219,083
Virginia State University (212)	12733	$2,858,055	$3,039,923
Norfolk State University (213)	12724	$3,065,618	$3,260,693

ITEM C-41.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
Longwood University (214)	12722		$1,105,456		$1,175,800
University of Mary Washington (215)	12723		$723,046		$1,108,341
James Madison University (216)	12718		$2,830,846		$3,010,983
Radford University (217)	12731		$1,272,534		$1,353,509
Virginia School for the Deaf and Blind (218)	14082		$230,604		$380,992
Old Dominion University (221)	12710		$1,952,035		$2,076,249
Virginia Commonwealth University (236)	12708		$3,326,873		$3,538,573
Virginia Museum of Fine Arts (238)	13633		$673,496		$716,353
Frontier Culture Museum of Virginia (239)	15045		$362,633		$521,423
Richard Bland College (241)	12716		$112,928		$391,543
Christopher Newport University (242)	12719		$479,371		$577,732
University of Virginia's College at Wise (246)	12706		$259,728		$445,898
George Mason University (247)	12712		$3,200,463		$3,404,119
Virginia Community College System (260)	12611		$6,046,516		$6,431,276
Virginia Institute of Marine Science (268)	12331		$286,612		$508,422
Eastern Virginia Medical School (274)	18190		$0		$318,929
Department of Agriculture and Consumer Services (301)	12253		$332,386		$353,537
Marine Resources Commission (402)	16498		$100,000		$100,000
Department of Mines, Minerals, and Energy (409)	13096		$100,000		$100,000
Department of Forestry (411)	13986		$321,572		$342,035
Gunston Hall (417)	12382		$100,000		$167,857
Jamestown-Yorktown Foundation (425)	13605		$1,377,273		$1,600,628
Department for the Blind and Vision Impaired (702)	13942		$210,555		$359,668
Department of Behavioral Health and Developmental Services (720)	10880		$4,413,719		$4,694,578
Department of Juvenile Justice (777)	15081		$827,786		$880,461
Department of Forensic Science (778)	16320		$278,282		$431,705
Department of Corrections (799)	10887		$9,156,497		$9,739,155
Institute for Advanced Learning and Research (885)	18044		$100,000		$303,571
Department of Veterans Services (912)	17073		$249,315		$400,894
Innovation and Entrepreneurship Investment Authority (934)	17943		$100,000		$100,000
Roanoke Higher Education Center (935)	17916		$135,927		$348,148
Southern Virginia Higher Education Center (937)	18131		$100,000		$303,571

ITEM C-41.		Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
New College Institute (938)	18132		$100,000		$303,571
Virginia Museum of Natural History (942)	14439		$100,000		$303,571
Southwest Virginia Higher Education Center (948)	16499		$100,000		$303,571
Total			**$75,000,000**		**$84,500,000**

C. Expenditures for amounts appropriated in this Item are subject to conditions defined in §2-0 E of this act.

D. Agencies and institutions of higher education may use maintenance reserve funds to finance the following capital costs: to repair or replace damaged or inoperable equipment, components of plant, and utility systems; to correct deficiencies in property and plant required to conform with building and safety codes or those associated with hazardous condition corrections, including asbestos abatement; to correct deficiencies in fire protection, energy conservation and handicapped access; and to address such other physical plant deficiencies as the Director, Department of Planning and Budget may approve. Agencies and institutions of higher education may also use maintenance reserve funds to make other necessary improvements that do not meet the criteria for maintenance reserve funding with the prior approval of the Director, Department of Planning and Budget.

E. 1. The Department of General Services is authorized to use these funds from its maintenance reserve allocation for necessary repairs and improvements in and around Capitol Square for items such as repair and conservation of the historic fence, repair and improvements to the grounds, upkeep and ongoing repairs to the exterior of the Capitol and Bell Tower, and conservation and maintenance of monuments and statues. The use of and allocation of these funds shall be as deemed appropriate by the Director, Department of General Services.

2. A total of $200,000 the first year from the general fund is hereby authorized for the planning and other costs associated with the construction of permanent monuments for the Women's Monument Commission and the Virginia Indian Commemorative Commission.

3. The Department of General Services shall provide support to both groups in implementing this project, as provided for in paragraph E.2.

4. The Commissions and the Department of General Services shall report quarterly to the General Assembly on the progress made on site selection, project design, projected costs, and project finances associated with these monuments as specified in paragraph E.2.

F.1. The Jamestown-Yorktown Foundation may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this item for the conservation of art and artifacts.

2. The Virginia Museum of Fine Arts may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this item for the conservation of art works owned by the Museum.

G. The Department of Corrections may use a portion of its annual maintenance reserve allocation to make modifications to correctional facilities needed to enable the agency to meet the requirements of the federal Prison Rape Elimination Act.

H. The Department of Conservation and Recreation shall give priority in the use of maintenance reserve funds for roof replacements, or other improvements, to help preserve historic buildings at Walnut Valley Farms, located at Chippokes Plantation State Park, with an estimated cost of $200,000. The historic buildings consist of a 1785 farmhouse, summer kitchen, and slave quarters. It is the intent that the buildings be preserved and protected from further decay, to the extent possible, until planning, and building restorations can be initiated. Item C-44 in this act contains funds for detailed planning.

I. The Frontier Culture Museum may use its maintenance reserve allocation to pave the loop roads, paths, and parking lots, repair and replace restroom facilities, improve public

ITEM C-41.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
entrance accessibility, and improve the grounds at the museum.				
J. 1. Any balances remaining from the maintenance reserve allocation identified in this item for the Jamestown-Yorktown Foundation shall not revert to the general fund at the end of the fiscal year, but shall be brought forward and made available to the Jamestown-Yorktown Foundation for the purposes of the maintenance reserve program in the subsequent fiscal year.				
2. Any balances remaining from the maintenance reserve allocation identified in this item for the Virginia Museum of Fine Art shall not revert to the general fund at the end of the fiscal year, but shall be brought forward and made available to the Virginia Museum of Fine Art for the purposes of the maintenance reserve program in the subsequent fiscal year.				
K. The Jamestown-Yorktown Foundation may utilize its annual maintenance reserve allocation to restore, repair or renew exhibits.				
L. The Department of Corrections may use up to $1,500,000 of its annual maintenance reserve allocation to retrofit the correctional facility in Culpeper County that has been used in the past by the Department of Juvenile Justice to house juvenile defenders, but will, effective July 1, 2014, be used to house adult offenders.				
C-42. Not set out.				
C-43. Not set out.				
C-44. Not set out.				
C-45. Not set out.				
C-46. Omitted.				
C-46.10 Not set out.				
C-46.15 Not set out.				
C-46.20 Not set out.				
C-46.30 Omitted.				
Total for Central Capital Outlay			**$354,098,381**	**$255,558,000**
Fund Sources: General	$200,000	$129,850,000		
Trust and Agency	$400,000	$0		
Dedicated Special Revenue	$13,276,000	$0		
Federal Trust	$1,885,500	$0		
Bond Proceeds	$338,336,881	$125,708,000		
C-47. Not set out.				
C-48. Not set out.				
TOTAL FOR CENTRAL APPROPRIATIONS			**$354,098,381**	**$255,558,000**
Fund Sources: General	$200,000	$129,850,000		
Trust and Agency	$400,000	$0		
Dedicated Special Revenue	$13,276,000	$0		
Federal Trust	$1,885,500	$0		
Bond Proceeds	$338,336,881	$125,708,000		
TOTAL FOR PART 2: CAPITAL PROJECT EXPENSES			**$941,284,442**	**$530,249,436**
Fund Sources: General	$200,000	$141,418,476		
Special	$38,661,539	$4,439,539		
Higher Education Operating	$44,794,000	$51,322,338		
Commonwealth Transportation	$40,891,817	$41,787,683		
Trust and Agency	$400,000	$0		

ITEM C-48.	Item Details($) First Year FY2015	Item Details($) Second Year FY2016	Appropriations($) First Year FY2015	Appropriations($) Second Year FY2016
Dedicated Special Revenue	$15,472,522	$1,864,022		
Federal Trust	$7,989,978	$40,809,378		
Bond Proceeds	$792,874,586	$248,608,000		

PART 3: MISCELLANEOUS

§ 3-1.01 INTERFUND TRANSFERS

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

	FY 2015	**FY 2016**
1. Alcoholic Beverage Control Enterprise Fund (§ 4.1-116, Code of Virginia)		
a) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies (from Alcoholic Beverage Control gross profits)	$65,375,769	$65,375,769
b) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies (from gross wine liter tax collections as specified in § 4.1-234, Code of Virginia)	$9,141,363	$9,141,363
2. Forest Products Tax Fund (§ 58.1-1609, Code of Virginia)	$30,757	~~$30,757~~ *$20,971*
For collection by Department of Taxation		
3. Peanut Fund (§3.2-1906, Code of Virginia)	$2,646	~~$2,646~~ *$2,539*
4. For collection by Department of Taxation		
a) Aircraft Sales & Use Tax (§ 58.1-1509, Code of Virginia)	$86,913	~~$86,913~~ *$43,980*
b) Soft Drink Excise Tax	$2,935	~~$2,935~~ *$1,875*
c) Virginia Litter Tax	$12,748	~~$12,748~~ *$8,151*
5. Proceeds of the Tax on Motor Vehicle Fuels		
For inspection of gasoline, diesel fuel and motor oils	$97,586	$97,586
6. Virginia Retirement System (Trust and Agency)		
For postage by the Department of the Treasury	$34,500	$34,500
7. Department of Alcoholic Beverage Control (Enterprise)		
For services by the:		
a) Auditor of Public Accounts	$75,521	$75,521
b) Department of Accounts	$64,607	$64,607
c) Department of the Treasury	$47,628	$47,628
TOTAL		
	$74,972,973	~~**$74,972,973**~~ ***$74,914,490***

2.a. Transfers of net profits from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of each quarter. The transfer of fourth quarter profits shall be estimated and made in the month of June. In the event actual net profits are less than the estimate transferred in June, the difference shall be deducted from the net profits of the next quarter and the resulting sum transferred to the general fund. Distributions to localities shall be made within fifty (50) days of the close of each quarter. Net profits are estimated at $83,300,000 the first year and ~~$80,200,000~~ *$84,000,000* the second year.

b. Pursuant to § 4.1-116 B, Code of Virginia, the Department of Alcoholic Beverage Control shall notify the State Comptroller of the amount to be deducted quarterly from the net profits for transfer to the reserve fund established by the cited section.

B.1. If any transfer to the general fund required by any subsections of §§ 3-1.01 through 3-6.02 is subsequently determined to be in violation of any federal statute or regulation, or Virginia constitutional requirement, the State Comptroller is hereby directed to reverse such transfer and to return such funds to the affected nongeneral fund account.

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

C. In order to fund such projects for improvement of the Chesapeake Bay and its tributaries as provided in § 58.1-2289 D, Code of Virginia, there is hereby transferred to the general fund of the state treasury the amounts listed below. The Department of Motor Vehicles shall be responsible for effecting the provisions of this paragraph. The amounts listed below shall be transferred on June 30 of each fiscal year.

154	Department of Motor Vehicles	$7,416,469	$7,416,469

D. The provisions of Chapter 6 of Title 58.1, Code of Virginia notwithstanding, the State Comptroller shall transfer to the general fund from the special fund titled "Collections of Local Sales Taxes" a proportionate share of the costs attributable to increased local sales and use tax compliance efforts, the Property Tax Unit, and State Land Evaluation Advisory Committee (SLEAC) services by the Department of Taxation estimated at $5,540,285 the first year and ~~$5,540,285~~ *$5,511,428* the second year.

E. The State Comptroller shall transfer to the general fund from the Transportation Trust Fund a proportionate share of the costs attributable to increased sales and use tax compliance efforts and revenue forecasting for the Transportation Trust Fund by the Department of Taxation estimated at $2,765,777 the first year and ~~$2,765,777~~ *$2,783,614* the second year.

F. On or before June 30 of each year, the State Comptroller shall transfer $6,233,551 the first year and $6,116,866 the second year to the general fund the following amounts from the agencies and fund sources listed below, for expenses incurred by central service agencies:

Agency Name	**Fund Group**	**FY 2015**	**FY 2016**
Department of Forestry (411)	0200	$24,698	$7,574
Board of Accountancy (226)	0900	$6,828	$4,810
Department of Labor and Industry (181)	0200	$3,392	$0
Tobacco Indemnification and Community Revitalization Commission (851)	0900	$81,802	$0
Virginia Museum of Fine Arts (238)	0200	$8,561	$23,816
Southwest Virginia Higher Education Center (948)	0200	$23,778	$21,582
Department for the Deaf and Hard-Of-Hearing (751)	0200	$15,730	$16,552
Department of Health Professions (223)	0900	$41,588	$0
Department of Behavioral Health and Developmental Services (720)	0200	$0	$55,173
Department of Behavioral Health and Developmental Services (720)	0900	$1,214	$0
Department for Aging and Rehabilitative Services (262)	0200	$62,397	$43,316
Department for Aging and Rehabilitative Services (262)	0900	$7,896	$0
Department of Conservation and Recreation (199)	0200	$90,143	$108,837
Department of Game and Inland Fisheries (403)	0900	$627,000	$696,215
Marine Resources Commission (402)	0200	$23,833	$4,373
Department of Criminal Justice Services (140)	0200	$58,422	$56,643
Department of Fire Programs (960)	0200	$14,376	$12,856

Department of Aviation (841)	0400	$72,030	$68,030
Department of Motor Vehicles (154)	0400	$1,034,919	$0
Department of Rail and Public Transportation (505)	0400	$488,769	$537,977
Department of Transportation (501)	0400	$3,028,317	$3,849,441
Motor Vehicle Dealer Board (506)	0200	$4,312	$6,448
Virginia Port Authority (407)	0200	$124,297	$140,436
Virginia Port Authority (407)	0400	$52,693	$47,742
Virginia College Savings Plan (174)	0500	$336,556	$415,045
		$6,233,551	**$6,116,866**

G.1. The State Comptroller shall transfer to the Lottery Proceeds Fund established pursuant to § 58.1-4022.1, Code of Virginia, an amount estimated at $557,555,450 the first year and ~~$531,667,925~~ *$538,955,547* the second year, from the Virginia Lottery Fund. The transfer each year shall be made in two parts: (1) on or before January 1 of each year, the State Comptroller shall transfer the balance of the Virginia Lottery Fund for the first five months of the fiscal year and (2) thereafter, the transfer will be made on a monthly basis. Prior to June 20 of each year, the Virginia Lottery Director shall estimate the amount of profits in the Virginia Lottery Fund for the month of June and shall notify the State Comptroller so that the estimated profits can be transferred to the Lottery Proceeds Fund prior to June 22.

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

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

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

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

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

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

J. The State Comptroller shall transfer to the general fund from the Revenue Stabilization Fund in the state treasury any amounts in excess of the limitation specified in § 2.2-1829, Code of Virginia.

K.1. Not later than 30 days after the close of each quarter during the biennium, the State Comptroller shall transfer, notwithstanding the allotment specified in § 58.1-1410, Code of Virginia, funds collected pursuant to § 58.1-1402, Code of Virginia, from the general fund to the Game Protection Fund. This transfer shall not exceed $1,700,000 the first year and ~~$2,000,000~~ *$4,700,000* the second year.

2. Notwithstanding the provisions of subparagraph K.1. above, the Governor may, at his discretion, direct the State Comptroller to

transfer to the Game Protection Fund, any funds collected pursuant to § 58.1-1402, Code of Virginia, that are in excess of the official revenue forecast for such collections.

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

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

M. Not later than thirty days after the close of each quarter during the biennium, the State Comptroller shall transfer to the Game Protection Fund the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia. Notwithstanding § 58.1-638 E, this transfer shall not exceed $8,270,640 the first year and $8,000,000 the second year.

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

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

O. On or before June 30 each year, the State Comptroller shall transfer to the general fund $4,589,914 the first year and $5,089,914 the second year from the Court Debt Collection Program Fund at the Department of Taxation.

P. On or before June 30 each year, the State Comptroller shall transfer to the general fund $8,900,000 the first year and $7,400,000 the second year from the Department of Motor Vehicles' Uninsured Motorists Fund. These amounts shall be from the share that would otherwise have been transferred to the State Corporation Commission.

Q. On or before June 30 each year, the State Comptroller shall transfer an amount estimated at $6,500,000 the first year and an amount estimated at $6,500,000 the second year to the general fund from the Intensified Drug Enforcement Jurisdictions Fund at the Department of Criminal Justice Services.

R. The Department of Alcoholic Beverage Control shall sell the building in which the Alexandria Regional office is currently located. Notwithstanding the provisions of §2.2-1156, Code of Virginia, all the proceeds from the sale of such property, estimated to be $12,500,000, shall be deposited into the general fund no later than June 30, 2015.

S. On or before June 30 each year, the State Comptroller shall transfer to the general fund $1,901,785 the first year and $2,464,585 the second year from operating efficiencies to be implemented by the Department of Alcoholic Beverage Control.

T. The State Comptroller shall transfer quarterly, one-half of the revenue received pursuant to § 18.2-270.01, of the Code of Virginia, and consistent with the provisions of § 3-6.03 of this act, to the general fund in an amount not to exceed $9,055,000 the first year, and $9,055,000 the second year from the Trauma Center Fund contained in the Department of Health's Financial Assistance for Non Profit Emergency Medical Services Organizations and Localities (40203).

U. On or before June 30 each year, the State Comptroller shall transfer $600,000 the first year and $600,000 the second year to the general fund from the Land Preservation Fund (Fund 0216) at the Department of Taxation.

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

W.1. The Brunswick Correctional Center operated by the Department of Corrections shall be sold. ~~The estimated amount of the proceeds to be received is $20,000,000.~~ The Commonwealth may enter into negotiations with (1) the Virginia Tobacco Indemnification and Community Revitalization Commission, (2) regional local governments, and (3) regional industrial development authorities for the purchase of this property as an economic development site.

2. Notwithstanding the provisions of § 2.2.-1156, Code of Virginia or any other provisions of law, ~~up to $10,000,000 from~~ the proceeds of the sale of the Brunswick Correctional Center shall be paid into the general fund ~~and any amount above~~

~~$10,000,000 shall be paid into the Federal Action Contingency Trust (FACT) Fund contained in Central Appropriations. Any proceeds deposited into the Federal Action Contingency Trust (FACT) Fund pursuant to this paragraph are hereby appropriated~~.

X. On or before June 30 each year the State Comptroller shall transfer all amounts collected for the fund created pursuant to § 17.1-275.12 of the Code of Virginia, to Items 339, 389, and 414 of this act, for the purposes enumerated in Section 17.1-275.12.

Y. On or before June 30 each year, the State Comptroller shall transfer $10,518,587 the first year and $10,518,587 the second year to the general fund from the $2.00 increase in the annual vehicle registration fee from the special emergency medical services fund contained in the Department of Health's Emergency Medical Services Program (40200).

Z. The provisions of Chapter 6.2, Title 58.1, Code of Virginia, notwithstanding, on or before June 30 each year the State Comptroller shall transfer to the general fund from the proceeds of the Virginia Communications Sales and Use Tax (fund 0926), the Department of Taxation's indirect costs of administering this tax estimated at $127,864 the first year and ~~$127,864~~ *$134,894* the second year.

AA. Any amount designated by the State Comptroller from the June 30, 2014, or June 30, 2015, general fund balance for transportation pursuant to § 2.2-1514B., Code of Virginia, is hereby appropriated.

BB. The State Comptroller shall transfer balances from the Foundation for Virginia's Natural Resources Trust Fund to the Virginia Land Conservation Fund to promote environmental education, pollution prevention, and citizen monitoring by fostering and supporting collaborative efforts among businesses, citizens, communities, local governments, and state agencies.

CC. The Department of General Services, with the cooperation and support of the Department of Behavioral Health and Developmental Services, is authorized to sell to Virginia Electric and Power Company, a Virginia corporation d/b/a Dominion Virginia Power, for such consideration as the Governor may approve, a parcel of land containing approximately 15 acres along the northern property line of Southside Virginia Training Center. After deduction of the expenses incurred by the Department of General Services in the sale of the property, the proceeds of the sale shall be deposited to the Behavioral Health and Developmental Services Trust Fund established pursuant to § 37.2-318, Code of Virginia. Any conveyance shall be approved by the Governor or his designee in the manner set forth in § 2.2-1150, Code of Virginia.

DD. On or before June 30, 2015, and June 30, 2016, the State Comptroller shall transfer amounts estimated at $5,000,000 the first year and $3,000,000 the second year to the general fund from unobligated nongeneral fund balances at the State Corporation Commission.

EE. On or before June 30 of each year, the State Comptroller shall transfer an additional ~~$439,180~~*$619,180* to the general fund from the fees generated by the Firearms Transaction Program.

FF. The State Comptroller shall transfer in the second year $18,000,000 in nongeneral fund cash to the Virginia Retirement System, to be managed by VRS for the benefit of the Commonwealth's Attorneys Services Council, pursuant to Senate Bill 1360 and House Bill 2222 of the 2015 General Assembly.

GG.1. On or before June 30 the first year, the State Comptroller shall transfer to the general fund $31,070,647 from the Transportation Trust Fund, an amount equivalent to the unexpended balances remaining from the 2007 Transportation Initiative authorized in Chapter 847, 2007 Acts of Assembly.

HH. Notwithstanding the provisions of § 10.1-2128.1 of the Code of Virginia, on or before June 30 each year, the State Comptroller shall transfer to the general fund amounts estimated at $1,000,000 the first year and $1,000,000 the second year, from the nongeneral funds deposited into the Natural Resources Commitment Fund as provided for in Item 357 D.2.

II.*1*. On or before June 30, 2015, the State Comptroller shall transfer to the general fund an amount estimated at $950,000 from Special Fund balances of the Commission on the Virginia Alcohol Safety Action Program.

2. On or before June 30, 2016, the State Comptroller shall transfer to the general fund an amount estimated at $1,000,000 from Special Fund balances of the Commission on the Virginia Alcohol Safety Action Program.

JJ.1. As required by §4-1.05 b of Chapter 3, 2014 Special Session I, $105,062 in various inactive nongeneral fund accounts were reverted by the State Comptroller to the general fund in the first year *and $66,111 were reverted in the second year*.

2. On or before June 30, 2015, the State Comptroller shall restore $7,500 to the Public-Private Education Act Fund (Fund 0275) in George Mason University, pursuant to Section 4-1.05 b. of this act.

KK. On or before June 30 each year, the State Comptroller shall transfer amounts estimated at $1,600,000 the first year and $300,000 the second year to the general fund from the Vehicle Emissions Inspection Program Fund (Fund 0919) at the Department of Environmental Quality.

LL. On or before June 30, 2015, the State Comptroller shall transfer an amount estimated at $300,000 from the Department of General Services' State Surplus Property Suspense Fund (0260) to the general fund. Out of this amount, the Comptroller shall

transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a repayment resulting from this transfer. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

MM. On or before June 30 each year, the State Comptroller shall transfer amounts estimated at $240,160 the first year and $240,160 the second year to the general fund from Fund 0200 in the Department of Agriculture and Consumer Services.

NN. On or before June 30, 2015, the State Comptroller shall transfer an amount estimated at $4,518,234 from the Virginia Information Technologies Agency's internal service fund (0600) to the general fund. Out of this amount, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a federal repayment resulting from this transfer. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

OO. On or before June 30, 2015, the State Comptroller shall transfer an amount estimated at $663,799 from the Department of General Services' State Surplus Property Program Fund (0603) to the general fund. Out of this amount, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a federal repayment resulting from this transfer. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

PP. On or before June 30, 2015, the State Comptroller shall transfer an amount estimated at $1,729,626 from the Department of General Services' Fleet Management Fund (0610) to the general fund. Out of this amount, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a federal repayment resulting from this transfer. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

QQ. On or before June 30, 2015, the State Comptroller shall transfer an amount estimated at $3,116,527 from the Department of General Services' eVA Procurement Program Fund (0505) to the general fund. Out of this amount, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a federal repayment resulting from this transfer. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

RR. On or before June 30, 2015, the State Comptroller shall transfer an amount estimated at $247,117 from the Training and Forms Recovery Fund (Fund 0202) at the Department of Human Resource Management to the general fund. Out of this amount, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a federal repayment resulting from this transfer. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

SS. On or before June 30, 2015, the State Comptroller shall transfer an amount estimated at $91,179 from the Employee Dispute Resolution Services Fund (Fund 0250) at the Department of Human Resource Management to the general fund. Out of this amount, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a federal repayment resulting from this transfer. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

TT. On or before June 30, 2015, the State Comptroller shall transfer an amount estimated at $507,787 from the Workers' Compensation Funding Account (Fund 0711) at the Department of Human Resource Management to the general fund. Out of this amount, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to be sufficient to pay the federal government in anticipation of a federal repayment resulting from this transfer. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

UU.1. On or before June 30, 2015 the State Comptroller shall transfer $1,763,697 from the Department of Human Resource Management's Special Fund (Fund 0200) to the State Health Insurance Fund (Fund 0620).

2. On or before June 30, 2015 the State Comptroller shall transfer $10,979,143 from the Administration of Health Insurance's Health Insurance Fund – State Restricted (Fund 0621) to the State Health Insurance Fund (Fund 0620)

3. On or before June 30, 2016, the State Comptroller shall transfer to the State Health Insurance Fund (Fund 0620) the balance from the Special Fund (Fund 0200) at the Department of Human Resource Management. The balance in the Department of Human Resource's Special Fund represents a portion of the payments deposited into the State Health Insurance Fund used to pay the state health insurance program's administrative expenses.

VV. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the proceeds~~, estimated at $20,000,000,~~ from the sale of the following properties currently owned by the Department of Corrections shall be deposited into the general fund no later than June 30, 2016: Pulaski Correctional Center~~, Botetourt Correctional Center,~~ and White Post Detention and Diversion Center.

WW. Notwithstanding the provisions of Section 2.2-1156, Code of Virginia, the proceeds, estimated at $50,000, from the sale by the Department of State Police of the airplane based in Richmond, Virginia, shall be deposited into the general fund no later than June 30, 2015.

XX.1. The Department of Agriculture and Consumer Services is authorized to sell the Southwest Virginia Farmers' Market, located at 497 Farmers Market Drive, Hillsville, Virginia 24343. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the proceeds from the sale shall first be applied toward remediation options under federal tax law of any outstanding tax-exempt bonds on the property. Any proceeds that remain after the implementation of such remediation options shall be deposited to the general fund no later than June 30, 2015.

2. The Department of Agriculture and Consumer Services is authorized to sell the Warrenton office building located at 234 West Shirley Avenue, Warrenton, Virginia 22186. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the proceeds from the sale shall first be applied toward remediation options under federal tax law of any outstanding tax-exempt bonds on the property. Any proceeds that remain after the implementation of such remediation options shall be deposited to the general fund no later than June 30, 2015.

3. The Department of Agriculture and Consumer Services is authorized to sell the Northern Neck of Virginia Farmers Market, located at 1647 Kings Highway, Oak Grove, Virginia, 22443. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the proceeds from the sale shall first be applied toward remediation options under federal tax law of any outstanding tax-exempt bonds on the property. Any proceeds that remain after the implementation of such remediation options shall be deposited to the general fund no later than June 30, 2015.

YY. The Department of Forestry is authorized to sell property located at 8818 Courthouse Road, Spotsylvania, Virginia. Notwithstanding the provisions of Section 2.2-1156, Code of Virginia, the proceeds, estimated at $177,146, shall first be applied toward remediation options under federal tax law of any outstanding tax-exempt bonds on the property. Any proceeds that remain after the implementation of such remediation options shall be deposited to the general fund no later than June 30, 2015.

ZZ.1. On or before June 30 of each year, the State Comptroller shall transfer amounts estimated at $33,195,521 the first year and $2,075,000 the second year from the agencies and fund sources listed below to the general fund of the state treasury.

	Fund	FY 2015	FY 2016
Compensation Board (157)			
Capture unspent nongeneral funding	0708	$30,068	$0
Department of General Services (194)			
Revert excess nongeneral fund program balances	0261	$246,043	$0
Revert excess nongeneral fund program balances	0502	$347,781	$0
Revert Office Depot rebate funds	0700	$159,262	$0
Department of Agriculture and Consumer Services (301)			
Transfer Beehive Grant Fund balance to the general fund	0215	$77,000	$0
Transfer Fire Safe Cigarette Fund balance to the general fund	0933	$215,000	$0
Department of Forestry (411)			
Transfer one-time nongeneral fund cash to the general fund	0212	$3,000	$0
Department of Housing and Community Development (165)			
Transfer one-time cash balance to the general fund	0200	$484,408	$0
Department of Mines, Minerals and Energy (409)			
Transfer special fund cash balance to the general fund	0200	$15,820	$0
Department of Small Business and Supplier Diversity (350)			
Transfer a one-time cash balance to the general fund	0245	$1,000,000	$0

Virginia Employment Commission (182)			
Transfer cash balances from the Special Fund	0200	$105,000	$0
State Council of Higher Education for Virginia (245)			
Sweep nongeneral fund cash	0200	$0	$250,000
Department of Taxation (161)			
Revert excess nongeneral fund balances	0287	$4,930	$0
Revert excess nongeneral fund balances	0200	$61,958	$0
Revert excess nongeneral fund balances	0251	$30,000	$0
Transfer one-time nongeneral fund balances to the general fund	0214	$1,800,000	$0
Department of Health (601)			
Capture balance from indirect cost recoveries	0280	$6,600,000	$0
Capture balance from the Emergency Medical Services Fund	0213	$4,000,000	$1,000,000
Capture excess revenue from bedding and upholstery fund	0203	$650,000	$225,000
Capture excess revenue from radioactive materials fund	0931	$500,000	$0
Capture Trauma Center fund nongeneral fund balances	0902	$500,000	$0
Department of Conservation and Recreation (199)			
Transfer cash balance from the Dam Safety/Flood Prevention Assistance Fund	0910	$500,000	$0
Transfer cash balances from the State Parks Acquisition and Development Fund	0265	$590,000	$0
Transfer cash balances from the Virginia Land Conservation Fund	0918	$300,000	$0
Department of Environmental Quality (440)			
Transfer cash balances from the Environmental Covenants Fund	0904	$36,364	$0
Transfer cash balances from the Fish Killing Investigation Fund	0232	$51,639	$0
Transfer cash balances from the Surplus Supplies and Equipment Sales Fund	0287	$70,395	$0
Transfer cash from the Waste Tire Trust Fund	0906	$997,630	$0
Transfer cash in the Hazardous Waste Management Fund	0245	$800,000	$0
Department of Corrections (799)			
Capture nongeneral fund balance from local supplements	0205	$95,000	$0
Transfer out-of-state inmate revenue to general fund	0255	$7,294,971	$0
Department of Emergency Management (127)			
Capture surplus special fund balances	0218	$151	$0
Capture surplus special fund balances	0246	$38,669	$0
Capture surplus special fund balances	0286	$723	$0
Department of Forensic Science (778)			
Revert nongeneral fund cash balances from sale of surplus property	0287	$1,157	$0
Department of Military Affairs (123)			
Capture nongeneral fund balances	0287	$1,116	$0

Capture nongeneral fund balances	0901	$37,800	$0
Department of State Police (156)			
Transfer various FY 2014 nongeneral fund cash balances	0261	$1,394,168	$0
Transfer various FY 2014 nongeneral fund cash balances	0916	$1,852,215	$0
Transfer various FY 2014 nongeneral fund cash balances	0914	$1,586,280	$0
Transfer various FY 2014 nongeneral fund cash balances	0290	$5,527	$0
Transfer various FY 2014 nongeneral fund cash balances	0280	$110,858	$0
Transfer various FY 2014 nongeneral fund cash balances	0246	$20,342	$0
Transfer various FY 2014 nongeneral fund cash balances	0227	$179,865	$0
Transfer various FY 2014 nongeneral fund cash balances	0206	$41,085	$0
Transfer various FY 2014 nongeneral fund cash balances	0287	$438	$0
Transfer FY 2016 balance from the insurance fraud fund	0916	$0	$600,000
Virginia Information Technologies Agency (136)			
Revert nongeneral fund balances	0905	$139,897	$0
Department of Veterans Services (912)			
Capture surplus nongeneral fund support	0200	$218,961	$0
		$33,195,521	**$2,075,000**

2. Prior to such transfer, the Department of Planning and Budget is authorized to adjust the above-cited amounts between fund/fund detail amounts, so as to increase or decrease the amounts for a designated fund/fund detail code, provided, however, that such adjustments shall not increase the total transfers amount for an agency in excess of the sums cited above. The Department of Planning and Budget shall notify the State Comptroller of such adjustments.

AAA. On or before June 30, 2016, the State Comptroller shall transfer a balance estimated at $64,000 from the Disaster Recovery Fund in the Department of Emergency Management to the general fund.

BBB. On or before June 30, 2016, the State Comptroller shall transfer to the general fund $500,000 in nongeneral fund cash balances from the Department of Small Business and Supplier Diversity (agency code 350), representing excess balances in the Small Business Investment Grant Fund.

CCC. On or before June 30, 2016, the State Comptroller shall transfer to the general fund $1,000,000 in unobligated nongeneral fund cash balances from the Virginia Workers Compensation Commission (agency code 191).

DDD.1 On or before June 30, 2016, the State Comptroller shall transfer $16,201,272 from unobligated nongeneral fund cash balances within the Virginia Department of Transportation (VDOT) to the Virginia Retirement System representing VDOT's portion of the remaining liability from the VRS contributions that were deferred during the 2010-12 biennium.

2. On or before June 30, 2016, the State Comptroller shall transfer $598,327 from unobligated nongeneral fund cash balances within the Virginia Department of Game and Inland Fisheries (DGIF) to the Virginia Retirement System (VRS) representing DGIF's portion of the remaining liability from the VRS contributions that were deferred during the 2010-12 biennium.

§ 3-1.02 INTERAGENCY TRANSFERS

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

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

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

B. In the event that nongeneral funds are not sufficient to compensate for the operating cash needs of the general fund, the State Treasurer is authorized to borrow, temporarily, required funds from cash balances within the Transportation Trust Fund, where such trust fund balances, based upon assessments provided by the Commonwealth Transportation Commissioner, are not otherwise

needed to meet the short-term disbursement needs of the Transportation Trust Fund, including any debt service and debt coverage needs, over the life of the borrowing. In addition, the State Treasurer shall ensure that such borrowings are consistent with the terms and conditions of all bond documents, if any, that are relevant to the Transportation Trust Fund.

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

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

§ 3-2.00 WORKING CAPITAL FUNDS AND LINES OF CREDIT

§ 3-2.01 ADVANCES TO WORKING CAPITAL FUNDS

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

§ 3-2.02 CHARGES AGAINST WORKING CAPITAL FUNDS

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

§ 3-2.03 LINES OF CREDIT

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

Administration of Health Insurance	$150,000,000
Department of Accounts, for the Payroll Service Bureau	$400,000
Department of Accounts, Transfer Payments	$5,250,000
Department of Accounts, for Enterprise Applications	$90,000,000
Department of Alcoholic Beverage Control	$60,000,000
Department of Corrections, for Virginia Correctional Enterprises	$1,000,000
Department of Emergency Management	$150,000
Department of Environmental Quality	$5,000,000
Department of Human Resource Management, for the Workers' Compensation Self Insurance Trust Fund	$10,000,000
Department of Behavioral Health and Developmental Services	$30,000,000
Department of Motor Vehicles	$5,000,000
Department of the Treasury, for the Unclaimed Property Trust Fund	$5,000,000
Department of the Treasury, for the State Insurance Reserve Trust Fund	$25,000,000
Virginia Lottery	$40,000,000
Virginia Information Technologies Agency	$40,000,000
Virginia Tobacco Settlement Foundation	$3,000,000
Department of Historic Resources	$600,000
Department of Fire Programs	$30,000,000
Compensation Board	$8,000,000
Department of Conservation and Recreation	$4,000,000
Department of Military Affairs	$5,000,000
Innovation and Entrepreneurship Authority	$2,500,000

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

act shall not apply to these lines of credit.

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

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

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

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

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

h. The Innovation and Entrepreneurship Investment Authority is hereby authorized to use its line of credit to meet cash flow needs at any time during the year in support of operational costs in anticipation of reimbursement of said expenditures from signed contracts and grant awards. The Innovation and Entrepreneurship Investment Authority shall repay the line of credit by June 30 of each fiscal year.

§ 3-3.00 GENERAL FUND DEPOSITS

§ 3-3.01 PAYMENT BY THE VIRGINIA PUBLIC SCHOOL AUTHORITY

The Virginia Public School Authority shall transfer to the general fund an amount estimated at $201,000 on or before June 30, 2015 to reimburse the Commonwealth for staff and other administrative services provided to the Authority by the Department of the Treasury.

§ 3-3.02 PAYMENT BY THE STATE TREASURER

The state Treasurer shall transfer an amount estimated at $2,000 on or before June 30, 2015 and an amount estimated at $2,000 on or before June 30, 2016, to the general fund from excess 9(c) sinking fund balances.

§ 3-3.03 INTEREST EARNINGS

A. Notwithstanding any other provision of law, the State Comptroller shall not allocate interest earnings to the following agencies and funds in either the first year or the second year of the biennium. The estimated amount of interest earnings that shall remain in the general fund as a result of this provision is $9,967,081 the first year ~~and $9,898,738 the second year~~.

Agency	Agency Code	Fund Name	Fund/Fund Detail
Supreme Court	111	Pro Hac Vice Fund	0254
Supreme Court	111	Court Technology Fund	0905
Department of Military Affairs	123	Armory Control Board Fund	0901
Department of Military Affairs	123	Virginia Military Family Relief Fund	0916
Department of Human Resource Management	129	Worker's Compensation Funding Account	0700
Department of Human Resource Management	129	Worker's Compensation Trust Fund	0742
Virginia Information Technologies Agency	136	GIS Fund	0905
Virginia Information Technologies Agency	136	Wireless E-911 Fund	0928
Virginia Information Technologies Agency	136	Virginia Technology Infrastructure Fund	0931

Department of Criminal Justice Services	140	School Resource Officer Incentive Grants Fund	0903
Department of Criminal Justice Services	140	Virginia Domestic Violence Victim Fund	0912
Department of Criminal Justice Services	140	Virginia Crime Victim - Witness Fund	0930
Department of Criminal Justice Services	140	Intensified Drug Enforcement Jurisdictions Fund	0935
Department of Criminal Justice Services	140	Regional Criminal Justice Academy Training Fund	0940
Department of Criminal Justice Services	140	Court Fees Suspense Fund	0975
Attorney General and Department of Law	141	Youth Internet Safety Fund	0237
Attorney General and Department of Law	141	Regulatory And Consumer Advocacy Revolving Trust	0239
Virginia Commission for the Arts	148	Virginia Arts Foundation Fund	0910
Administration of Health Insurance	149	Pre-Medicare Eligible Retiree Health Benefits Trust Fund	0720
Department of Accounts	151	Commonwealth Health Research Fund	0936
Department of Treasury	152	Property Insurance Trust Fund	0740
Department of Treasury	152	Miscellaneous Insurance Trust Fund	0741
Department of Treasury	152	Liability Trust Fund	0743
Department of Treasury	152	Automobile Trust Fund	0744
Department of Treasury	152	Local Entities Bond Program	0745
Department of Treasury	152	Public Officials Insurance	0746
Department of Treasury	152	Law Enforcement Insurance	0747
Department of Treasury	152	George Washington Regional Commission	0748
Department of Treasury	152	Commuter Rail Trust Fund (First year only)	0749
Department of Treasury	152	Workforce Training Access Fund	0901
Department of Motor Vehicles	154	State Asset Forfeiture Fund	0430
Department of State Police	156	State Asset Forfeiture Fund	0233
Department of State Police	156	Drug Investigation Trust Account - Federal	0236
Department of State Police	156	Insurance Fraud	0250
Department of State Police	156	Drug Investigation Trust Account-State	0253
Department of State Police	156	State Asset Forfeiture Suspense Fund	0733
Department of State Police	156	Wireless E-911 Fund	0928
Compensation Board	157	Wireless E-911 Fund	0928
Department of Taxation	161	Communications Sales And Use Tax Trust Fund	0926
Department of Taxation	161	Governor's Motion Picture Opportunity Fund	0902
Department of Accounts Transfer Payments	162	Edvantage Reserve Fund	0708
Department of Accounts Transfer Payments	162	Line Of Duty Death And Health Benefits Trust Fund	0742
Department of Housing and Community Development	165	Derelict Structure Fund	0916
Department of Housing and Community Development	165	Virginia Manufactured Housing Transaction Recovery Fund	0925
Department of Housing and Community Development	165	Virginia Water Quality Improvement Fund	0934

State Corporation Commission	171	Fire Programs Fund	0218
State Corporation Commission	171	Underground Utility Damage Prevention Fund	0902
State Corporation Commission	171	Virginia State Police-Insurance Fraud Fund	0905
Virginia College Savings Plan	174	Special Revenue	0500
Virginia Employment Commission	182	Workforce Development Training Fund	0910
Secretary of Finance	190	Workforce Training Access Fund	0901
Secretary of Commerce and Trade	192	Governor's Motion Picture Opportunity Fund	0902
Secretary of Commerce & Trade	192	Commonwealth's Development Opportunity Fund	0910
Department of General Services	194	Main Street Station Property	0922
Department of Education - Direct Aid to Public Education	197	School Nurse Incentive Grants Fund	0905
Department of Education - Direct Aid to Public Education	197	Va Public School Educational Technology Trust Fund	0928
Department of Education - Direct Aid to Public Education	197	Va Public School Construction Grants Fund	0930
Department of Education - Direct Aid to Public Education	197	Public Ed SOQ/Local Re Property Tax Relief Fund	0931
Department of Conservation and Recreation	199	Natural Area Preservation Fund	0215
Department of Conservation and Recreation	199	Chesapeake Bay Restoration Fund	0252
Department of Conservation and Recreation	199	Flood Prevention And Protection Assistance Fund	0910
Department of Conservation and Recreation	199	Va Land Conservation Fund - Restricted	0917
Department of Conservation and Recreation	199	Virginia Land Conservation Fund - Unrestricted	0918
Department of Conservation and Recreation	199	Soil/Water Conservation District Dam Maintenance Fund	0925
Department of Conservation and Recreation	199	Virginia Water Quality Improvement Fund	0934
Department of Conservation and Recreation	199	Virginia Water Quality Improvement Fund Reserve	0935
Department of Conservation and Recreation	199	Virginia Natural Resources Commitment Fund	0936
Department of Conservation and Recreation	199	VOF - Open-Space Lands Preservation Trust Fund	0958
Department of Education - Central Office Operations	201	Virginia Teaching Scholarship Loan Fund	0908
Department of Education - Central Office Operations	201	Families In Education Incentive Grants Fund	0912
Department of Education - Central Office Operations	201	Community-Based Intervention-Susp/Expelled Student	0915
Department of Education - Central Office Operations	201	Artists In The Classroom Grants Fund	0916
Department of Education - Central Office Operations	201	School-To-Work Transition Grants Fund	0932
Department of Education - Central Office Operations	201	National Teacher Certification Incentive Reward Pg	0940
Department of Professional and Occupational Regulation	222	Common Interest Community Management Information Fund	0259
Board of Accountancy	226	Board Of Accountancy Trust Fund	0202
Board of Accountancy	226	Dedicated Special Revenue	0900
State Board of Bar Examiners	233	Special Revenue	0200

State Council of Higher Education for Virginia	245	VA Undergrad/Vocational Incentive Scholarship Fund	0905
State Council of Higher Education for Virginia	245	Brown V Board Of Education Scholarship Pgm Fund	0912
Department of Rehabilitative Services	262	Statewide Independent Living Fund	0903
Department of Rehabilitative Services	262	Commonwealth Neurotrauma Initiative Trust Fund	0915
Department of Agriculture and Consumer Services	301	Contested Pesticide Penalties	0708
Department of Agriculture and Consumer Services	301	Tobacco Loss Assistance Program Fund	0710
Department of Agriculture and Consumer Services	301	Virginia Farm Loan Revolving Account	0716
Department of Agriculture and Consumer Services	301	Certification Of Agricultural Products Trust Fund	0729
Virginia Agricultural Council	307	Dedicated Special Revenue	0900
Department of Small Business and Supplier Diversity	350	Capital Access Fund For Disadvantaged Businesses	0901
Department of Small Business and Supplier Diversity	350	Small Business Environmental Compliance Assistance Fund	0930
Department of Small Business and Supplier Diversity	350	Virginia Small Business Growth Fund	0957
Marine Resources Commission	402	Forfeited Asset Sharing Program Fund	0265
Marine Resources Commission	402	Marine Habitat And Waterways Improvement Fund	0916
Department of Game and Inland Fisheries	403	Boating Safety And Regulation	0902
Department of Game and Inland Fisheries	403	Non Game Cash Fund	0904
Department of Game and Inland Fisheries	403	Feed The Hungry Fund	0913
Department of Game and Inland Fisheries	403	Virginia Fish Passage Grant And Revolving Loan Fund	0922
Virginia Racing Commission	405	Special Revenue	0200
Virginia Racing Commission	405	Virginia Breeders Fund	0220
Department of Mines, Minerals and Energy	409	Exxon Oil Overcharge Fund	0738
Department of Mines, Minerals and Energy	409	Coal Surface Mining Contl & Reclamation Act Cvl	0754
Department of Mines, Minerals and Energy	409	Gas And Oil Plugging And Restoration Fund	0755
Department of Mines, Minerals and Energy	409	Orphaned Well Fund	0952
Department of Forestry	411	Forfeited Asset Sharing Program Fund	0265
Department of Forestry	411	State Forests System Fund	0901
Department of Forestry	411	Virginia's Natural Resources Trust Fund	0909
Department of Forestry	411	Virginia Forest Water Quality Fund	0926
Department of Historic Resources	423	Historic Resources Fund	0910
Department of Environmental Quality	440	Operating Permits Program	0510
Department of Environmental Quality	440	Underground Petroleum Storage Tank Fund	0748
Department of Environmental Quality	440	Dupont Shenandoah River Mercury Monitoring	0755
Department of Environmental Quality	440	Virginia Stormwater Management Fund	0902
Department of Environmental Quality	440	Waste Tire Trust Fund	0906
Department of Environmental Quality	440	Virginia Environmental Emergency Response Fund	0907
Department of Environmental Quality	440	Air Pollution Permit Program	0909
Department of Environmental Quality	440	Virginia Waste Management Board Permit Program Fund	0911

Department of Environmental Quality	440	State Water Control Board Permit Program Fund	0914
Department of Environmental Quality	440	Marine Habitat And Waterways Improvement Fund	0916
Department of Environmental Quality	440	Vehicle Emissions Inspection Program Fund	0919
Department of Environmental Quality	440	VA Motor Vehicle Emission Reduction Program Fund	0924
Department of Environmental Quality	440	Litter Control And Recycling Fund	0925
Department of Environmental Quality	440	Small Business Environmental Compliance Assistance Fund	0930
Department of Environmental Quality	440	Virginia Water Quality Improvement Fund	0934
Department of Environmental Quality	440	Virginia Water Quality Improvement Fund Reserve	0935
Motor Vehicle Dealer Board	506	Motor Vehicle Dealer Board Fund	0212
Department of Health	601	Waterworks Technical Assistance Fund	0248
Department of Health	601	Virginia Pregnant Women Support Fund	0276
Department of Health	601	Donations - Local Health Departments	0901
Department of Health	601	Trauma Center Fund	0902
Department of Health	601	Virginia Transplant Council Education Fund	0905
Department of Health	601	Virginia Rescue Squads Assistance Fund	0910
Department of Health	601	Water Supply Assistance Grant Fund	0922
Department of Health	601	Radioactive Materials Facility Licensure/Inspec Fd	0931
Department of Health	601	Medical And Physicans Assistant Scholarship And Loan Repayment Fund	0932
Department of Health	601	Nursing Scholarship And Loan Repayment Fund	0934
Department of Health	601	Nurse Practitioner Scholarship And Loan Repayment Fund	0936
Department of Health	601	Dental Scholarship & Loan Repayment Fd	0938
Department of Medical Assistance Services	602	Uninsured Medical Catastrophe Fund	0910
Department of Behavioral Health and Developmental Services	720	Mental Health/Retard Substance Abuse Srvs Trust Fd	0908
Department of Social Services	765	Putative Father Registry Fund	0914
Department of Social Services	765	Home Energy Assistance Fund	0925
Department of Corrections	767	Drug Offender Access Fund	0953
Department of Corrections	795	Corrections Special Reserve Fund	0230
Department of Corrections	799	Ded Impact Funds	0230
Department of Corrections	799	Drug Offender Access Fund	0953
Tobacco Indemnification & Revitalization	851	Tobacco Indemnification/Community Revitalization	0942
Virginia Tobacco Settlement Fund	852	Virginia Tobacco Settlement Fund	0943
Virginia Commission on Energy and Environment	868	Virginia Commission On Energy & Environment Fund	0223
Dept of Veterans Services	912	Veterans Services Fund	0941
Sitter-Barfoot Veterans Care Center	922	Veterans Services Fund	0941
Innovative Technology Authority	934	Advanced Communications Assistance Fund	0265
Department of Fire Programs	960	Fire Programs Fund	0218
DPB - Central Appropriations - Admin	995	Texaco Oil Overcharge Fund	0734
DPB - Central Appropriations - Admin	995	Stripper Well Oil Overcharge Fund	0739

DPB - Central Appropriations - Admin	995	Diamond Shamrock Oil Overcharge Fund	0740
Central Appropriations	995	Commonwealth Technology Research Fund	0951
Department of Accounts-Statewide Activity	997	Drug Offender Access Fund	0953
Department of Alcoholic Beverage Control	999	Enterprise	0500
Department of Alcoholic Beverage Control	999	State Asset Forfeiture Fund	0533

B. If actual general fund transfers in any year exceed the amount shown for “transfers” in the resources available for appropriation from the general fund in the first enactment of this act, the interest earnings retained by the general fund as a result of this provision shall be capped at $11,389,754 the first year ~~and $11,389,754 the second year~~. Any interest earnings above this amount will be distributed proportionately back to the nongeneral funds shown in this item.

C. Notwithstanding any other provision of law, on or before June 30 of each year, the State Comptroller shall transfer $1,243,189 the first year ~~and $1,243,819 the second year~~ to the general fund, from the College of William and Mary, the University of Virginia, the University of Virginia's College at Wise, Virginia Commonwealth University, Virginia Tech and Virginia Tech Extension for the estimated payments of interest earned on tuition and fees from Educational and General Revenues deposited in the state treasury.

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

§ 3-4.01 AUXILIARY ENTERPRISE INVESTMENT YIELDS

A. The educational and general programs in institutions of higher education shall recover the full indirect cost of auxiliary enterprise programs as certified by institutions of higher education to the Comptroller subject to annual audit by the Auditor of Public accounts. The State Comptroller shall credit those institutions meeting this requirement with the interest earned by the investment of the funds of their auxiliary enterprise programs.

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

§ 3-5.00 ADJUSTMENTS AND MODIFICATIONS TO TAX COLLECTIONS

§ 3-5.01 RETALIATORY COSTS TO OTHER STATES TAX CREDIT

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

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

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

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

Revenues deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 of the Code of Virginia pursuant to enactments of the 2004 Special Session of the General Assembly shall be transferred to the general fund and used to meet the Commonwealth's responsibilities for the Standards of Quality prescribed pursuant to Article VIII, Section 2, of the Constitution of Virginia. The Comptroller shall take all actions necessary to effect such transfers monthly, no later than 10 days following the deposit to the Fund. The amounts transferred shall be distributed to localities as specified in Direct Aid to Public Education's (197), State Education Assistance Programs (17800) of this Act. The estimated amount of such transfers are $350,300,000 the first year and ~~$362,900,000~~ *$366,700,000* the second year.

§ 3-5.04 NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT

A. The $125,000 limit on donations for which tax credits may be issued for taxable year 2014 pursuant to § 58.1-439.24 of the Code of Virginia shall not apply if, after an equitable allocation of tax credits for Fiscal Year 2015 under the Neighborhood Assistance Act Tax Credit Program, the total amount of tax credits allocated for all programs approved under the Act was less than $16 million.

The $125,000 limit on donations for which tax credits may be issued for taxable year 2015 pursuant to § 58.1-439.24 of the Code of Virginia shall not apply if, after an equitable allocation of tax credits for Fiscal Year 2016 under the Neighborhood

Assistance Act Tax Credit Program, the total amount of tax credits allocated for all programs approved under the Act was less than $17 million. However, in no event shall (i) more than $16 million in tax credits be issued for Fiscal Year 2015 and (ii) more than $17 million in tax credits be issued for Fiscal Year 2016 under the Act.

B. Notwithstanding § 58.1-439.20 or any other provision of law, for Fiscal Year 2015, the amount of the Neighborhood Assistance Act Tax Credit available under § 58.1-439.18 et seq., Code of Virginia, shall be limited to $16 million allocated as follows: $8.5 million for education proposals for approval by the Superintendent of Public Instruction and $7.5 million for all other proposals for approval by the Commissioner of the State Department of Social Services. For Fiscal Year 2016, the amount of the Neighborhood Assistance Act Tax Credit available under § 58.1-439.18 et seq., Code of Virginia, shall be limited to $17 million allocated as follows: $9 million for education proposals for approval by the Superintendent of Public Instruction and $8 million for all other proposals for approval by the Commissioner of the State Department of Social Services.

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

§ 3-5.05 RETAIL SALES & USE TAX EXEMPTION FOR INTERNET SERVICE PROVIDERS

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

§ 3-5.06 DISPOSITION OF EXCESS FEES COLLECTED BY CLERKS OF THE CIRCUIT COURTS

Notwithstanding §§ 15.2-540, 15.2-639, 15.2-848, 17.1-285, and any other provision of law general or special, effective July 1, 2009, the Commonwealth shall be entitled to two-thirds of the excess fees collected by the clerks of the circuit courts as required to be reported under § 17.1-283. In making the calculations of excess fees required by this paragraph the Compensation Board shall exclude, in the first year, courts in the thirty-first judicial circuit, but pay them in accordance with § 17.1-285 in the first year.

§ 3-5.07 ACCELERATED SALES TAX

A. Notwithstanding any other provision of law, in addition to the amounts required under the provisions of §§58.1-615 and 58.1-616, any dealer as defined by §58.1-612 or direct payment permit holder pursuant to §58.1-624 with taxable sales and purchases of $1,000,000 or greater for the 12-month period beginning July 1, and ending June 30 of the immediately preceding calendar year, shall be required to make a payment equal to 90 percent of the sales and use tax liability for the previous June. Such tax payments shall be made on or before the 30th day of June, if payments are made by electronic fund transfer, as defined in § 58.1-202.1. If payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June. Every dealer or direct payment holder shall be entitled to a credit for the payment under this section on the return for June of the current year due July 20.

B. The Tax Commissioner may develop guidelines implementing the provisions of this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

C. For purposes of this section, taxable sales or purchases shall be computed without regard to the number of certificates of registration held by the dealer. The provisions of this section shall not apply to persons who are required to file only a Form ST-7, Consumer's Use Tax Return.

D. In lieu of the penalties provided in § 58.1-635, except with respect to fraudulent returns, failure to make a timely payment or full payment of the sales and use tax liability as provided in subsection A shall subject the dealer or direct payment permit holder to a penalty of six percent of the amount of tax underpayment that should have been properly paid to the Tax Commissioner. Interest shall accrue as provided in § 58.1-15. The payment required by this section shall become delinquent on the first day following the due date set forth in this section if not paid.

E. Payments made pursuant to this section shall be made in accordance with procedures established by the Tax Commissioner and shall be considered general fund revenue, except with respect to those revenues required to be distributed under the provisions of §§ 58.1-605, 58.1-606, 58.1-638(A), 58.1-638(G)-(H), 58.1-638.2, and 58.1-638.3 of the Code of Virginia.

F. That the State Comptroller shall make no distribution of the taxes collected pursuant to this section in accordance with §§ 58.1-605, 58.1-606, 58.1-638, 58.1-638.1, 58.1-638.2 and 58.1-638.3 of the Code of Virginia until the Tax Commissioner makes a written certification to the Comptroller certifying the sales and use tax revenues generated pursuant to this section. The Tax Commissioner shall certify the sales and use tax revenues generated as soon as practicable after the sales and use tax revenues have been paid into the state treasury in any month for the preceding month. If the Governor determines on July 31 of each year, that funds are available to transfer such collections in accordance with §§ 58.1-638(B)-(F) and 58.1-638.1, Code of Virginia, he shall direct the State Comptroller to make such allocation. The Secretary of Finance will report the Governor's determination to the Chairman of the House Appropriations and Senate Finance Committees on August 15 of each year.

G. Beginning with the tax payment that would be remitted on or before June 25, 2015, if the payment is made by other than

electronic fund transfers, the provisions of § 3.5-08 of Chapter 874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of $2,500,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

§ 3-5.08 DISCOUNTS AND ALLOWANCES

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

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

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

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

§ 3-5.09 SALES TAX COMMITMENT TO HIGHWAY MAINTENANCE AND OPERATING FUND

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

§ 3-5.10 INTANGIBLE HOLDING COMPANY ADDBACK

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

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

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

§ 3-5.11 REGIONAL FUELS TAX

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

§ 3-5.12. Omitted.

§ 3-5.13. Omitted.

§ 3-5.14. Omitted.

§ 3-5.15. Omitted.

§ 3-5.16. Omitted.

§ 3-5.17. Omitted.

§ 3-5.18. Omitted.

§ 3-5.19. Omitted.

§ 3-5.20 ADMISSIONS TAX

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

§ 3-6.00 ADJUSTMENTS AND MODIFICATIONS TO FEES

§ 3-6.01 RECORDATION TAX FEE

There is hereby assessed a twenty dollar fee on (i) every deed for which the state recordation tax is collected pursuant to §§ 58.1-801 A and 58.1-803, Code of Virginia; and (ii) every certificate of satisfaction admitted under § 55-66.6, Code of Virginia. The revenue generated from fifty percent of such fee shall be deposited to the general fund. The revenue generated from the other fifty percent of such fee shall be deposited to the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality Improvement Fund, as established in § 10.1-2128.1, Code of Virginia. The funds deposited to this subfund shall be disbursed for the agricultural best management practices cost share program, pursuant to § 10.1 - 2128.1, Code of Virginia.

§ 3-6.02 ANNUAL VEHICLE REGISTRATION FEE ($4.25 FOR LIFE)

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

§ 3-6.03 DRIVERS LICENSE REINSTATEMENT FEE

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

§ 3-6.04 QUALIFIED EQUITY AND SUBORDINATED DEBT INVESTMENT TAX CREDIT

Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2006, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $3,000,000 for calendar years 2006 and thereafter, except that for taxable years beginning on or after January 1, 2010, and before December 31, 2010, the credit shall be capped at $5,000,000. For taxable years beginning on and after January 1, 2011, and before December 31, 2011, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $3,000,000. For taxable years beginning on and after January 1, 2012, and before December 31, 2012, the amount of the Qualified Equity and Subordinated Debt Investments Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $4,000,000. For taxable years beginning on or after January 1, 2013, and before December 31, 2013 the amount of the Qualified Equity and Subordinated Debt Investment Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $4,500.000. For taxable years beginning on or after January 1, 2014, and before December 31, 2014 the amount of the Qualified Equity and Subordinated Debt Investment Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to $5,000.000.

§ 3-6.05 DEPOSIT OF FINES AND FEES

A.1. The Auditor of Public Accounts shall annually during fiscal year 2015 calculate the amount of total fines and fees collected by the District Courts. The Auditor of Public Accounts will determine those localities in which total local fines and fee collections exceed 50 percent of the total collections. Using the Auditor of Public Accounts' calculation for fiscal year 2011, the State Comptroller shall deduct half of the amount in excess of 50 percent from any current payment of local fines and fees before remitting to the localities their remaining collections. When the State Comptroller has recovered in total, the half of the amount exceeding 50 percent, he shall pay all local collections monthly directly to the locality's treasury. The State Comptroller shall promptly and without delay transmit any and all non-withheld local fees and fines to the locality's treasury not later than sixty (60) days after these fines and fees were deposited and recorded in the state treasury by the District Courts. Furthermore, the State Comptroller and the Executive Secretary of the Supreme Court shall work with the District Courts and the localities to develop a process to provide the localities a complete accounting of when these fees were collected. The State Comptroller shall deposit the withheld funds in the Literary Fund, as they become available.

2. By May 1, 2015 the Auditor of Public Accounts shall calculate the fines reversion amount defined as equal to one-quarter of (i) the total of the local fines and forfeitures collected by the District Courts in the immediately preceding fiscal year less (ii) 65 percent of the total fines and forfeitures collected by the District Courts for such prior fiscal year for each locality.

3. It is the intent of the General Assembly to increase the reversion amount from one-quarter of the excess fees calculation in the fiscal year ending June 30, 2016, to one-third of the excess for the calculation in the fiscal year ending June 30, 2017, and to one-half of the excess for the calculation in the fiscal year ending June 30, 2018.

B. The Auditor of Public Accounts shall provide the State Comptroller the annual calculation by May 1 in the first year for future withholdings. The State Comptroller will act as a fiscal agent, holding the amounts of local fine and fee collections in an agency fund.

C. Effective July 1, 2015, the Auditor of Public Accounts shall provide written notice to each locality year the amount of its fines reversion as defined in A. above and shall provide a copy of the notice to the State Comptroller.

D. Effective July 1, 2015, each locality receiving notice that it has a fines reversion as defined in A. above shall submit a payment to the State Comptroller for the entire amount of the reversion by August 1 for deposit into the Literary Fund.

§ 3-6.06. Omitted.

PART 4: GENERAL PROVISIONS

§ 4-0.00 OPERATING POLICIES

§ 4-0.01 OPERATING POLICIES

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

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

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

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

§ 4-1.00 APPROPRIATIONS

§ 4-1.01 PREREQUISITES FOR PAYMENT

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

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

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

§ 4-1.02 WITHHOLDING OF SPENDING AUTHORITY

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

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

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

c. Increased Nongeneral Fund Revenue:

1. General fund appropriations to any state agency for operating expenses are supplemental to nongeneral fund revenues collected by the agency. To the extent that nongeneral fund revenues collected in a fiscal year exceed the estimate on which the operating budget was based, the Governor is authorized to withhold general fund spending authority, by withholding allotments of appropriations, in an equivalent amount. However, this limitation shall not apply to (a) restricted excess tuition and fees for educational and general programs in the institutions of higher education, as defined in § 4-2.01 c of this act; (b) appropriations to institutions of higher education designated for fellowships, scholarships and loans; (c) gifts or grants which are made to any state agency for the direct

costs of a stipulated project; (d) appropriations to institutions for the mentally ill or intellectually disabled payable from the Behavioral Health and Developmental Services Revenue Fund; and (e) general fund appropriations for highway construction and mass transit. Moneys unallotted under this provision shall not be reallocated for any other purpose.

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

d. Reduced General Fund Resources:

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

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

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

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

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

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

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

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

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

b) The payment of principal and interest on the bonded debt or other bonded obligations of the Commonwealth, its agencies

and its authorities, or for payment of a legally authorized deficit.

c) The payments for care of graves of Confederate dead.

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 4-1.03 APPROPRIATION TRANSFERS

GENERAL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. In the event of the transition of a city to town status pursuant to the provisions of Chapter 41 of Title 15.2 of the Code of Virginia (§ 15.2-4100 et seq.) or the consolidation of a city and a county into a single city pursuant to the provisions of Chapter 35 of Title 15.2, Code of Virginia (§ 15.2-3500 et seq.) subsequent to July 1, 1999, the provisions of § 15.2-1302 shall govern distributions from state agencies to the county in which the town is situated or to the consolidated city, and the Director, Department of Planning and Budget, is authorized to transfer appropriations or portions thereof within a state agency, or from one such agency to another, if necessary to fulfill the requirements of § 15.2-1302.

§ 4-1.04 APPROPRIATION INCREASES

a. UNAPPROPRIATED NONGENERAL FUNDS:

1. Sale of Surplus Materials:

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

2. Insurance Recovery:

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

3. Gifts, Grants and Other Nongeneral Funds:

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

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

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

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

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

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

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

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

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

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

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

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

d) No obligation or expenditure shall be made from such funds until a revised operating budget request is approved by the Director, Department of Planning and Budget. Expenditures from any gift, grant or donation shall be in accordance with the purpose for which

it was made; however, expenditures for property, plant or equipment, irrespective of fund source, are subject to the provisions of §§ 4-2.03 Indirect Costs, 4-4.01 Capital Projects General, and 4-5.03 b Services and Clients-New Services, of this act.

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

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

5. Reporting:

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

b. AGRIBUSINESS EQUIPMENT FOR THE DEPARTMENT OF CORRECTIONS

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

§ 4-1.05 REVERSION OF APPROPRIATIONS AND REAPPROPRIATIONS

a. GENERAL FUND OPERATING EXPENSE:

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

General fund appropriations for agencies in the Legislative Department, the Judicial Department, and the Independent Agencies shall be reappropriated, except as may be specifically provided otherwise by the General Assembly. General fund appropriations shall also be reappropriated for institutions of higher education, subject to § 2.2-5005, Code of Virginia.

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

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

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

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

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

b. NONGENERAL FUND OPERATING EXPENSE:

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

c. CAPITAL PROJECTS:

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

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

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

§ 4-1.06 LIMITED ADJUSTMENTS OF APPROPRIATIONS

a. LIMITED CONTINUATION OF APPROPRIATIONS.

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

b. LIMITATIONS ON CASH DISBURSEMENTS.

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

§ 4-1.07 ALLOTMENTS

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

§ 4-2.00 REVENUES

§ 4-2.01 NONGENERAL FUND REVENUES

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

1. No state agency shall solicit or accept any donation, gift, grant, or contract without the written approval of the Governor except under written guidelines issued by the Governor which provide for the solicitation and acceptance of nongeneral funds, except that donations or gifts to the Virginia War Memorial Foundation that are small in size and number and valued at less than $5,000, such as library items or small display items, may be approved by the Executive Director of the Virginia War Memorial in consultation with the Secretary of Veterans Affairs and Homeland Security. All other gifts and donations to the Virginia War Memorial Foundation

must receive written approval from the Secretary of Veterans Affairs and Homeland Security.

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

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

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

b. HIGHER EDUCATION TUITION AND FEES

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

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

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

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

d) The Boards of Visitors or other governing bodies of institutions of higher education shall not increase the current proportion of nonresident undergraduate students if the institution's nonresident undergraduate enrollment exceeds 25 percent. Norfolk State University, Virginia Military Institute, Virginia State University, and two-year public institutions are exempt from this restriction.

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

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

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

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

students for tuition and required fees at institutions outside of the Commonwealth.

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

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

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

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

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

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

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

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

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

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

c. HIGHER EDUCATION PLANNED EXCESS REVENUES:

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

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

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

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

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

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

§ 4-2.02 GENERAL FUND REVENUE

a. STATE AGENCY PAYMENTS INTO GENERAL FUND:

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

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

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

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

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

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

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

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

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

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

d) Secretary of the Commonwealth, from all sources.

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

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

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

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

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

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

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

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

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

m) the Department of State Police, from the fees generated by the Firearms Transaction Program Fund, the Concealed Weapons Program, and the Conservator of the Peace Program pursuant to §§ 18.2-308, 18.2-308.2:2 and 19.2-13, Code of Virginia

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

n) Without regard to § 4-2.02 a.1 above, payments to the Treasurer of Virginia assessed to insurance companies for the

safekeeping and handling of securities or surety bonds deposited as insurance collateral shall be deposited into the Insurance Collateral Assessment Fund to defray such safekeeping and handling expenses.

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

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

c. DATE OF RECEIPT OF REVENUES:

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

I VETO THIS ITEM WHICH CONTINUES ON PAGE 253. /s/ Terence R. McAuliffe (6/21/14) (Vetoed item is enclosed in brackets.)

[d. SETTLEMENTS NEGOTIATED BY THE OFFICE OF THE ATTORNEY GENERAL:

1. There is hereby created the Disbursement Review Committee (the "Committee"), the members of which are the Attorney General, who shall serve as chairman; the Chairman of the House Committee on Appropriations and one Delegate appointed by him, or their designees; the Chairman of the Senate Committee on Finance and one Senator appointed by him, or their designees; and two individuals appointed by the Governor. Whenever the Attorney General reasonably expects that there will be money or any real, tangible, or intangible property ("money or property"), or both, other than criminal fines (which would go to the Literary Fund) or attorney's fees (i) due or available to the Commonwealth as a result of any civil or criminal dispute or (ii) available to the Commonwealth or to any state or local governmental entity in the Commonwealth from any federal entity pursuant to an asset forfeiture equitable sharing agreement or other legal action, including a compromise, settlement, or agreement in a multistate action in which the Attorney General has participated on behalf of the Commonwealth or an agency of the Commonwealth, he shall forthwith notify all members of the Committee of the pertinent facts, and may convene a meeting of the Committee, but shall convene a meeting of the Committee at the request of any member.

2. For a compromise, settlement, or agreement under subdivision 1(i) above, the Attorney General shall prepare and recommend to the Committee a proposed Distribution Plan (the "Plan") regarding the distribution and use of money or property, or both, to be received by the Commonwealth as a result of any such compromise, settlement, or agreement. The Committee may propose the same or a modified Plan to the General Assembly for the distribution or use, or both, of such money or property, or both.

3. For a compromise, settlement, or agreement under subdivision 1(ii) above, if the distribution or use, or both, of any money or property, or both, to be received by the Commonwealth is determined by a court order, federal law, or by a federal entity pursuant to federal law (such as a federal asset forfeiture sharing agreement), the Attorney General shall prepare and provide to the Committee a proposed Plan for the distribution and use of any such money or property, or both, that is consistent with such court order, federal law, or regulations or policies of such federal agency. If the permissible purpose(s) for the distribution or use, or both, of such money or property, or both, is described in general terms (for example, it must be used for "law enforcement purposes" or for "consumer education"), the Committee may propose a modified Plan with a more particular distribution or use, or both, that falls within such general permissible purpose(s). If a federal entity must approve the final Plan for such distribution or use, or both, and does not approve the Plan submitted to it by the Attorney General, he shall so inform the Committee, and the Plan may be revised if deemed appropriate and resubmitted to the federal entity for approval. If the federal entity approves the original Plan or a revised Plan, the Attorney General shall so inform the Committee, and the Committee shall recommend to the General Assembly distribution or use, or both, of such money or property, or both, that is consistent with the Plan approved by the federal entity.

4. The Attorney General shall not enter into any compromise, settlement, or agreement for the distribution of money or property, or both, to be received by the Commonwealth under subdivision 1(i) or 1(ii) unless the compromise, settlement, or agreement provides that such money or property, or both, is to be deposited into the state treasury. No such distribution shall occur without a specific appropriation by the General Assembly that is consistent with the permissible purpose(s) set forth in the court order or federal law or by the federal entity. If a federal entity must approve the final Plan for such distribution or use, or both, and the General Assembly's appropriation in an appropriation act differs from the Plan approved by the federal entity, the appropriation shall be submitted to the federal entity for approval. The distribution of any money or property, or both, shall be done in a manner as prescribed by the State Comptroller in order to ensure proper accounting on the books of the Commonwealth.

5. The provisions of subdivisions 1) through 4) shall not apply to any negotiation, compromise, settlement, or agreement involving money or property, or both (a) where the distribution and use of such money or property, or both, is governed specifically by this act or by the constitution or other law of the Commonwealth, (b) in which the total value of such moneys or property does not exceed

ITEM VETO CONTINUED FROM PAGE 252. /s/ Terence R. McAuliffe (6/21/14) (Vetoed item is enclosed in brackets.)

$250,000, or (c) in which the entire amount of the settlement is for services provided, or for property sold or provided, under a contract with a governmental entity. "Governmental entity" shall include, without limitation, public institutions of higher education. The General Assembly hereby appropriates a sum sufficient amount for any settlement or agreement authorized solely by virtue of this subdivision 5. The provisions of this § 4-2.02.d. shall not apply to state teaching hospitals. **]**

§ 4-2.03 INDIRECT COSTS

a. INDIRECT COST RECOVERIES FROM GRANTS AND CONTRACTS:

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

b. AGENCIES OTHER THAN INSTITUTIONS OF HIGHER EDUCATION:

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

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

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

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

c. INSTITUTIONS OF HIGHER EDUCATION:

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

1. Seventy percent shall be retained by the institution as an appropriation of moneys for the conduct and enhancement of research and research-related requirements. Such moneys may be used for payment of principal of and interest on bonds issued by or for the institution pursuant to § 23-19, Code of Virginia, for any appropriate purpose of the institution, including, but not limited to, the conduct and enhancement of research and research-related requirements.

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

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

d. REPORTS

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

e. REGULATIONS:

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

§ 4-3.00 DEFICIT AUTHORIZATION AND TREASURY LOANS

§ 4-3.01 DEFICITS

a. GENERAL:

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

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

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

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

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

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

3. Deficits shall not be authorized for capital projects.

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

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

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

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

§ 4-3.02 TREASURY LOANS

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

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

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

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

when collected.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

loan.

§ 4-3.03 CAPITAL LEASES

a. GENERAL:

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

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

b. APPROVAL OF FINANCINGS:

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

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

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

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

§ 4-4.00 CAPITAL PROJECTS

§ 4-4.01 GENERAL

a. Definition:

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

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

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

4. The provisions of this section shall not apply to property leased by state agencies for the purposes described in §§ 2.2-1151 C and 33.1-93, Code of Virginia.

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

1. The agency shall submit a capital project proposal for all requested capital projects. Such proposals shall be submitted to the Director, Department of Planning and Budget, for review and approval in accordance with guidelines prescribed by the director.

Projects shall be developed to meet agency functional and space requirements within a cost range comparable to similar public and private sector projects.

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

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

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

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

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

f. It is the intent of the General Assembly that the Department of Conservation and Recreation shall be authorized to initiate and accept by gift or purchase with nongeneral fund dollars any lands for State Park or Natural Area purposes which may become available, and that are not specifically appropriated by the General Assembly, when such acquisitions are made in accordance with the provisions of this section and other applicable provisions of state law including approval by the Governor.

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

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

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

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

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

i. Initiation Generally:

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

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

3. The Governor, at his discretion, or his designee may release from any capital project appropriation or reappropriation made

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

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

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

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

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

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

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

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

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

m. Projects Not Included In This Act:

1. Authorization by Governor:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.a.1. At institutions of higher education that have met the eligibility criteria for additional operational and administrative authority as set forth in Chapters 933 and 945 of the 2005 Acts of Assembly or Chapters 824 and 829 of the 2008 Acts of Assembly, any repair, renovation, or new construction project costing up to $2,000,000 shall be exempt from the capital outlay review and approval process. For purposes of this paragraph, projects shall not include any subset of a series of projects, which in combination would exceed the $2,000,000 maximum.

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

b. Blanket authorizations funded entirely by nongeneral funds may be used for 1) renovation and infrastructure projects costing up to $2,000,000 and 2) the planning of nongeneral fund new construction and renovation projects through bidding, with bid award made after receipt of a construction authorization. The Director, Department of Planning and Budget, may provide exemptions to the threshold.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

e) the project has been approved by the Governor.

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

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

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

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

v. No expenditures shall be authorized for the purchase of fee simple title to any real property to be used for a correctional facility or for the actual construction of a correctional facility provided for in this act, or by reference hereto, that involves acquisition or new construction of youth or adult correctional facilities on real property which was not owned by the Commonwealth on January 1, 1995, until the governing body of the county, city or town wherein the project is to be located has adopted a resolution supporting the location of such project within the boundaries of the affected jurisdiction. The foregoing does not prohibit expenditures for site studies, real estate options, correctional facility design and related expenditures.

w. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, any alternative financing agreement entered into between a state agency or institution of higher education and a private entity or affiliated foundation must be reviewed and approved by the Treasury Board.

x. Prior to requesting authorization for new dormitory capital projects, institutions of higher education shall conduct a cost study to determine whether an alternative financing arrangement or public-private transaction would provide a more effective option for the construction of the proposed facility. This study shall be submitted to the Department of Planning and Budget as part of the budget development process and shall be evaluated by the Governor prior to submitting his proposed budget.

y. Any new construction project developed by or for the Chippokes Plantation Farm Foundation, with an estimated cost of $750,000 or less, shall be exempt from the capital outlay review and approval process.

z. Construction or improvement projects of the Department of Military Affairs are not exempt from the capital outlay review process when the state procurement process is utilized, except for those projects with both an estimated cost of $3,000,000 or less and are 100 percent federally reimbursed. The Department of Military Affairs shall submit by July 30 of each year to the Department of Planning and Budget a list of such projects that were funded pursuant to this exemption in the previous fiscal year and any projects that would be eligible for such funding in future fiscal years.

§ 4-4.02 PLANNING AND BUDGETING

a. It shall be the intent of the General Assembly to make biennial appropriations for a capital improvements program sufficient to address the program needs of the Commonwealth. The capital improvements program shall include maintenance and deferred maintenance of the Commonwealth's existing facilities, and of the facility requirements necessary to deliver the programs of state agencies and institutions.

b. In effecting these policies, the Governor shall establish a capital budget plan to address the renewal and replacement of the Commonwealth's physical plant, using such guidelines as recommended by industry or government to maintain the Commonwealth's investment in its property and plant.

§ 4-5.00 SPECIAL CONDITIONS AND RESTRICTIONS ON EXPENDITURES

§ 4-5.01 TRANSACTIONS WITH INDIVIDUALS

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

b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:

1. General:

a) The appropriations made in this act to state institutions of higher education within the Items for student financial assistance may be expended for any one, all, or any combination of the following purposes: grants to undergraduate students enrolled at least one-half time in a degree, certificate, industry-based certification and related programs that do not qualify for other sources of student financial assistance or diploma program; grants to full-time graduate students; graduate assistantships: grants to students enrolled full-time in a dual or concurrent undergraduate and graduate program. The institutions may also use these appropriations for the purpose of supporting work study programs. The institution is required to transfer to educational and general appropriations all funds used for work study or to pay graduate assistantships. Institutions may also contribute to federal or private student grant aid programs requiring matching funds by the institution, except for programs requiring work. The State Council of Higher Education for Virginia shall annually review each institution's plan for the expenditures of its general fund appropriation for undergraduate student financial assistance prior to the start of the fall term to determine program compliance. The institution's plan shall include the institution's assumptions and calculations for determining the cost of attendance, student financial need, and student remaining need as well as an award schedule or description of how funds are awarded. For the purposes of the proposed plan, each community college shall be considered independently. No limitations shall be placed on the awarding of nongeneral fund appropriations made in this act to state institutions of higher education within the Items for student financial assistance other than those found previously in this paragraph and as follows: (i) funds derived from in-state student tuition will not subsidize out-of-state students, (ii) students receiving these funds must be making satisfactory academic progress, (iii) awards made to students should be based primarily on financial need, and (iv) institutions should make larger grant and scholarship awards to students taking the number of credit hours necessary to complete a degree in a timely manner.

b) All awards made to undergraduate students from such Items shall be for Virginia students only and such awards shall offset all, or portions of, the costs of tuition and required fees, and, in the case of students qualifying under subdivision b 2 c)1) hereof, the cost of books. All undergraduate financial aid award amounts funded by this appropriation shall be proportionate to the remaining need of individual students, with students with higher levels of remaining need receiving grants before other students. No criteria other than the need of the student shall be used to determine the award amount. Because of the low cost of attendance and recognizing that

federal grants provide a much higher portion of cost than at other institutions, a modified approach and minimum award amount for the neediest VGAP student should be implemented for community college and Richard Bland College students based on remaining need and the combination of federal and grant state aid. Student financial need shall be determined by a need-analysis system approved by the Council.

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

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

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

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

f) The provisions of this act under the heading "Student Financial Assistance for Higher Education" shall not apply to (1) the soil scientist scholarships authorized under § 23-38.3, Code of Virginia and (2) need-based financial aid programs for industry-based certification and related programs that do not qualify for other sources of student financial assistance, which will be subject to guidelines developed by the State Council of Higher Education for Virginia.

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

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

2. Grants To Undergraduate Students:

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

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

c)1) It is the intent of the General Assembly that students eligible under the Virginia Guaranteed Assistance Program (VGAP) authorized in Title 23, Chapter 4.4:2, Code of Virginia, shall receive grants before all other students at the same institution with equivalent remaining need from the appropriations for undergraduate student financial assistance found in Part 1 of this act (service area 1081000 - Scholarships). In each instance, VGAP eligible students shall receive awards greater than other students with equivalent remaining need.

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

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

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

3. Grants To Graduate Students:

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

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

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

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

5. Discontinued Loan Program:

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

b)1) An institution of higher education may discontinue its student loan fund established pursuant to Title 23, Chapter 4.01, Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid into the state treasury into a nonrevertible nongeneral fund account. Prior to such payment, the State Comptroller shall verify its accuracy, including the fact that the cash held by the institution in the loan fund will be fully depleted by such payment. The loan fund shall not be reestablished thereafter for that institution.

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

3) Payments on principal and interest of any promissory notes held by the discontinued loan fund shall continue to be received by the institution, which shall deposit such payments in the state treasury to the nonrevertible nongeneral fund account specified in subdivision (1) preceding, to be used for grants as specified in subdivision (2) preceding.

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

C. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

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

§ 4-5.02 THIRD PARTY TRANSACTIONS

a. EMPLOYMENT OF ATTORNEYS:

1.a. All attorneys authorized by this act to be employed by any state agency and all attorneys compensated out of any moneys appropriated in this session of the General Assembly shall be appointed by the Attorney General and be in all respects subject to the provisions of Title 2.2, Chapter 5, Code of Virginia, to the extent not to conflict with Title 12.1, Chapter 4, Code of Virginia; provided, however, that if the Governor certifies the need for independent legal counsel for any Executive Department agency, such agency shall be free to act independently of the Office of the Attorney General in regard to selection, and provided, further, that compensation of such independent legal counsel shall be paid from the moneys appropriated to such Executive Department agency or from the moneys appropriated to the Office of the Attorney General.

b. For purposes of this act, "attorney" shall be defined as an employee or contractor who represents an agency before a court, board or agency of the Commonwealth of Virginia or political subdivision thereof. This term shall not include members of the bar employed by an agency who perform in a capacity that does not require a license to practice law, including but not limited to, instructing, managing, supervising or performing normal or customary duties of that agency.

2. This section does not apply to attorneys employed by state agencies in the Legislative Department, Judicial Department or Independent Agencies.

3. Reporting on employment of attorneys shall be in accordance with § 4-8.00, Reporting Requirements.

b. STUDIES AND CONSULTATIVE SERVICES REQUIRED BY GENERAL ASSEMBLY: No expenditure for payments on third party nongovernmental contracts for studies or consultative services shall be made out of any appropriation to the General Assembly or to any study group created by the General Assembly, nor shall any such expenditure for third party nongovernmental contracts be made by any Executive Department agency in response to a legislative request for a study, without the prior approval of two of the following persons: the Chairman of the House Appropriations Committee; the Chairman of the Senate Finance Committee; the Speaker of the House of Delegates; the President pro tempore of the Senate. All such expenditures shall be made only in accordance with the terms of a written contract approved as to form by the Attorney General.

c. USE OF CONSULTING SERVICES: All state agencies and institutions of higher education shall make a determination of "return on investment" as part of the criteria for awarding contracts for consulting services.

d. DEBT COLLECTION SERVICES:

1. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Virginia Commonwealth University Health System Authority shall have the option to participate in the Office of the Attorney General's debt collection process. Should the Authority choose not to participate, the Authority shall have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts receivable claims.

2. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the University of Virginia Medical Center shall have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts receivable claims, provided that the University of Virginia demonstrates to the Secretary of Finance that debt collection by an agent other than the Office of the Attorney General is anticipated to be more cost effective. Nothing in this paragraph is intended to limit the ability of the University of Virginia Medical Center from voluntarily contracting with the Office of the Attorney General's Division of Debt Collection in cases where the Center would benefit from the expertise of legal counsel and collection services offered by the Office of the Attorney General.

3. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Department of Taxation shall be exempt from participating in the debt collection process of the Office of the Attorney General.

§ 4-5.03 SERVICES AND CLIENTS

a. CHANGED COST FACTORS:

1. No state agency, or its governing body, shall alter factors (e.g., qualification level for receipt of payment or service) which may increase the number of eligible recipients for its authorized services or payments, or alter factors which may increase the unit cost of benefit payments within its authorized services, unless the General Assembly has made an appropriation for the cost of such change.

2. Notwithstanding any other provision of law, the Department of Planning and Budget, with assistance from agencies that operate internal service funds as requested, shall establish policies and procedures for annually reviewing and approving internal service fund overhead surcharge rates and working capital reserves.

3. By September 1 each year, state agencies that operate an internal service fund, pursuant to §§ 2.2-803, 2.2-1101, and 2.2-2013, Code of Virginia, that have an impact on agency expenditures, shall submit a report to the Department of Planning and Budget and the Joint Legislative Audit and Review Commission to include all information as required by the Department of Planning and Budget to conduct a thorough review of overhead surcharge rates, revenues, expenditures, full-time positions, and working capital reserves for each internal service fund. The report shall include any proposed modifications in rates to be charged by internal service funds for review and approval by the Department of Planning and Budget. In its review, the Department of Planning and Budget shall determine whether the requested rate modifications are consistent with budget assumptions. The format by which agencies submit the operating plan for each internal service fund shall be determined by the Department of Planning and Budget with assistance from agencies that operate internal service funds as requested.

4. State agencies that operate internal service funds may not change a billable overhead surcharge rate to another state agency unless the resulting change is provided in the final General Assembly enacted budget.

5. State agencies that operate more than one internal service fund shall comply with the review and approval requirements detailed in this Item for each internal service fund.

6. As determined by the Director, Department of Planning and Budget, state agencies that operate select programs where an agency provides a service to and bills other agencies shall be subject to the annual review of the agency's internal service funds consistent with the provisions of this Item, unless such payment for services is pursuant to a memorandum of understanding authorized by § 4-1.03 a. 7 of this act.

7. The Governor is authorized to change internal service fund overhead surcharge rates, including the creation of new rates, beyond the rates enacted in the budget in the event of an emergency upon prior notice to the Chairmen of the House Appropriations and Senate Finance Committees. Such prior notice shall be no less than five days prior to enactment of a revised or new rate and shall include the basis of the emergency and the impact on state agencies.

8. Notwithstanding any other provision of law, the Commonwealth's statewide electronic procurement system and program known as eVA shall have all rates and working capital reserves reviewed and approved by the Department of Planning and Budget consistent with the provisions of this Item.

9. State agencies that are partially or fully funded with nongeneral funds and are billed for services provided by another state

agency shall pay the nongeneral fund cost for the service from the agency's applicable nongeneral fund revenue source consistent with an appropriation proration of such expenses.

b. NEW SERVICES:

1. No state agency shall begin any new service that will call for future additional property, plant or equipment or that will require an increase in subsequent general or nongeneral fund operating expenses without first obtaining the authorization of the General Assembly.

2. Pursuant to the policies and procedures of the State Council of Higher Education regarding approval of academic programs and the concomitant enrollment, no state institution of higher education shall operate any academic program with funds in this act unless approved by the Council and included in the Executive Budget, or approved by the General Assembly. The Council may grant exemptions to this policy in exceptional circumstances.

3. Reporting on all new services shall be in accordance with § 4-8.00, Reporting Requirements.

c. OFF-CAMPUS SITES OF INSTITUTIONS OF HIGHER EDUCATION:

No moneys appropriated by this act shall be used for off-campus sites unless as provided for in this section.

1. A public college or university seeking to create, establish, or operate an off-campus instructional site, funded directly or indirectly from the general fund or with revenue from tuition and mandatory educational and general fees generated from credit course offerings, shall first refer the matter to the State Council of Higher Education for Virginia for its consideration and approval. The State Council of Higher Education for Virginia may provide institutions with conditional approval to operate the site for up to one year, after which time the college or university must receive approval from the Governor and General Assembly, through legislation or appropriation, to continue operating the site.

2. For the colleges of the Virginia Community College System, the State Board for Community Colleges shall be responsible for approving off-campus locations. Sites governed by this requirement are those at any locations not contiguous to the main campus of the institution, including locations outside Virginia.

3. a) The provisions herein shall not apply to credit offerings on the site of a public or private entity if the offerings are supported entirely with private, local, or federal funds or revenue from tuition and mandatory educational and general fees generated entirely by course offerings at the site.

b) Offerings at previously approved off-campus locations shall also not be subject to these provisions.

c) Further, the provisions herein do not govern the establishment and operations of campus sites with a primary function of carrying out grant and contract research where direct and indirect costs from such research are covered through external funding sources. Such locations may offer limited graduate education as appropriate to support the research mission of the site.

d) Nothing herein shall prohibit an institution from offering non-credit continuing education programs at sites away from the main campus of a college or university.

4. The State Council of Higher Education shall establish guidelines to implement this provision.

d. PERFORMANCE MEASUREMENT

1. In accordance with § 2.2-1501, Code of Virginia, the Department of Planning and Budget shall develop a programmatic budget and accounting structure for all new programs and activities to ensure that it provides the appropriate financial and performance measures to determine if programs achieve desired results and outcomes. The Department of Accounts shall provide assistance as requested by the Department of Planning and Budget. The Department of Planning and Budget shall provide this information each year when the Governor submits the budget in accordance with § 2.2-1509, Code of Virginia, to the Chairmen of the House Appropriations, House Finance, and Senate Finance Committees.

2.a) Within thirty days of the enactment of this act, the Director, Department of Planning and Budget, shall make available via electronic means to the Chairmen of the House Appropriations and Senate Finance Committees and the public a list of the new initiatives for which appropriations are provided in this act.

b) Not later than ninety days after the end of the first year of the biennium, the Director, Department of Planning and Budget, shall make available via electronic means a report on the performance of each new initiative contained in the list, to be submitted to the Chairmen of the House Appropriations and Senate Finance Committees and the public. The report shall compare the actual results, including expenditures, of the initiative with the anticipated results and the appropriation for the initiative. This information shall be used to determine whether the initiative should be extended beyond the beginning period. In the preparation of this report, all state agencies shall provide assistance as requested by the Department of Planning and Budget.

a. STUDENT ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION:

1. Public Information Encouraged: Each public institution of higher education is expected and encouraged to provide prospective students with accurate and objective information about its programs and services. The institution may use public funds under the control of the institution's Board of Visitors for the development, preparation and dissemination of factual information about the following subjects: academic programs; special programs for minorities; dates, times and procedures for registration; dates and times of course offerings; admission requirements; financial aid; tuition and fee schedules; and other information normally distributed through the college catalog. This information may be presented in any and all media, such as newspapers, magazines, television or radio where the information may be in the form of news, public service announcements or advertisements. Other forms of acceptable presentation would include brochures, pamphlets, posters, notices, bulletins, official catalogs, flyers available at public places and formal or informal meetings with prospective students.

2. Excessive Promotion Prohibited: Each public institution of higher education is prohibited from using public funds under the control of the institution's Board of Visitors for the development, preparation, dissemination or presentation of any material intended or designed to induce students to attend by exaggerating or extolling the institution's virtues, faculty, students, facilities or programs through the use of hyperbole. Artwork and photographs which exaggerate or extol rather than supplement or complement permissible information are prohibited. Mass mailings are generally prohibited; however, either mass mailings or newspaper inserts, but not both, may be used if other methods of distributing permissible information are not economically feasible in the institution's local service area.

3. Remedial Education: Senior institutions of higher education shall make arrangements with community colleges for the remediation of students accepted for admission by the senior institutions.

4. Compliance: The president or chancellor of each institution of higher education is responsible for the institution's compliance with this subsection.

b. INFORMATION TECHNOLOGY FACILITIES AND SERVICES:

1.a) The Virginia Information Technologies Agency shall procure information technology and telecommunications goods and services of every description for its own benefit or on behalf of other state agencies and institutions, or authorize other state agencies or institutions to undertake such procurements on their own.

b) Except for research projects, research initiatives, or instructional programs at public institutions of higher education, or any non-major information technology project request from the Virginia Community College System, Longwood University, or from an institution of higher education which is a member of the Virginia Association of State Colleges and University Purchasing Professionals (VASCUPP) as of July 1, 2003, or any procurement of information technology and telecommunications goods and services by public institutions of higher education governed by some combination of Chapters 933 and 945 of the 2005 Acts of Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, requests for authorization from state agencies and institutions to procure information technology and telecommunications goods and services on their own behalf shall be made in writing to the Chief Information Officer or his designee. Members of VASCUPP as of July 1, 2003, are hereby recognized as: The College of William and Mary, George Mason University, James Madison University, Old Dominion University, Radford University, Virginia Commonwealth University, Virginia Military Institute, Virginia Polytechnic Institute and State University, and the University of Virginia.

c) The Chief Information Officer or his designee may grant the authorization upon a written determination that the request conforms to the statewide information technology plan and the individual information technology plan of the requesting agency or institution.

d) Any procurement authorized by the Chief Information Officer or his designee for information technology and telecommunications goods and services, including geographic information systems, shall be issued by the requesting state agency or institution in accordance with the regulations, policies, procedures, standards, and guidelines of the Virginia Information Technologies Agency.

e) Nothing in this subsection shall prevent public institutions of higher education or the Virginia Community College System from using the services of Network Virginia.

f) To ensure that the Commonwealth's research universities maintain a competitive position with access to the national optical research network infrastructure including the National LambdaRail and Internet2, the Network Virginia Contract Administrator is hereby authorized to renegotiate the term of the existing contracts. Additionally, the contract administrator is authorized to competitively negotiate additional agreements in accordance with the Code of Virginia and all applicable regulations, as required, to establish and maintain research network infrastructure.

2. If the billing rates and associated systems for computer, telecommunications and systems development services to state agencies are altered, the Director, Department of Planning and Budget, may transfer appropriations from the general fund between programs affected. These transfers are limited to actions needed to adjust for overfunding or underfunding the program

appropriations affected by the altered billing systems.

3. The provisions of this subsection shall not in any way affect the duties and responsibilities of the State Comptroller under the provisions of § 2.2-803, Code of Virginia.

4. It is the intent of the General Assembly that information technology (IT) systems, products, data, and service costs, including geographic information systems (GIS), be contained through the shared use of existing or planned equipment, data, or services which may be available or soon made available for use by state agencies, institutions, authorities, and other public bodies. State agencies, institutions, and authorities shall cooperate with the Virginia Information Technologies Agency in identifying the development and operational requirements for proposed IT and GIS systems, products, data, and services, including the proposed use, functionality, capacity and the total cost of acquisition, operation and maintenance.

5. This section shall not apply to public institutions of higher education governed by some combination of Chapters 933 and 945 of the 2005 Acts of Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly or Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly.

6. Notwithstanding any other provision of law, state agencies that do not receive computer services from the Virginia Information Technologies Agency may develop their own policies and procedures governing the sale of surplus computers and laptops to their employees or officials. Any proceeds from the sale of surplus computers or laptops shall be deposited into the appropriate fund or funds used to purchase the equipment.

c. MOTOR VEHICLES AND AIRCRAFT:

1. No motor vehicles shall be purchased or leased with public funds by the state or any officer or employee on behalf of the state without the prior written approval of the Director, Department of General Services.

2. The institutions of higher education shall be exempt from this provision but shall be required to report their entire inventory of purchased and leased vehicles including the cost of such to the Director of the Department of General Services by June 30 of each year. The Director of the Department of General Services shall compare the cost of vehicles acquired by institutions of higher education to like vehicles under the state contract. If the comparison demonstrates for a given institution that the cost to the Commonwealth is greater for like vehicles than would be the case based on a contract of statewide applicability, the Governor or his designee may suspend the exemption granted to the institution pursuant to this subparagraph c.

3. The Director, Department of General Services, is hereby authorized to transfer surplus motor vehicles among the state agencies, and determine the value of such surplus equipment for the purpose of maintaining the financial accounts of the state agencies affected by such transfers.

d. MOTION PICTURE, TELEVISION AND RADIO SERVICES PRODUCTION: Except for public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, no state Executive Department agency or the Virginia Lottery Department shall expend any public funds for the production of motion picture films or of programs for television transmission, or for the operation of television or radio transmission facilities, without the prior written approval of the Governor or as otherwise provided in this act, except for educational television programs produced for elementary-secondary education by authority of the Virginia Information Technologies Agency. The Joint Subcommittee on Rules is authorized to provide the approval of such expenditures for legislative agencies. For judicial agencies and independent agencies, other than the Virginia Lottery Department, prior approval action rests with the supervisory bodies of these entities. With respect to television programs which are so approved and other programs which are otherwise authorized or are not produced for television transmission, state agencies may enter into contracts without competitive sealed bidding, or competitive negotiation, for program production and transmission services which are performed by public telecommunications entities, as defined in § 2.2-2427, Code of Virginia.

e. TRAVEL: Reimbursement for the cost of travel on official business of the state government is authorized to be paid pursuant to law and regulations issued by the State Comptroller to implement such law. Notwithstanding any contrary provisions of law:

1. For the use of personal automobiles in the discharge of official duties outside the continental limits of the United States, the State Comptroller may authorize an allowance not exceeding the actual cost of operation of such automobiles;

2. The first 15,000 miles of use during each fiscal year of personal automobiles in the discharge of official duties within the continental limits of the United States shall be reimbursed at an amount equal to the most recent business standard mileage rate as established by the Internal Revenue Service for employees or self-employed individuals to use in computing their income tax deductible costs for operating passenger vehicles owned or leased by them for business purposes, or in the instance of a state employee, at the lesser of (a) the IRS rate or (b) the lowest combined capital and operational trip pool rate charged by the Department of General Services, Office of Fleet Management Services (OFMS), posted on the OFMS website at time of travel, for the use of a compact state-owned vehicle. If the head of the state agency concerned certifies that a state-owned vehicle was not available, or if, according to regulations issued by the State Comptroller, the use of a personal automobile in lieu of a state-owned automobile is considered to be an advantage to the state, the reimbursement shall be at the rate of the IRS rate. For such use in excess of 15,000 miles in each fiscal year, the reimbursement shall be at a rate of 13.0 cents per mile, unless a state-owned vehicle is not available; then the rate shall be the IRS rate;

3. The State Comptroller may authorize exemptions to restrictions upon use of common carrier accommodations;

4. The State Comptroller may authorize reimbursement by per diem in lieu of actual costs of meals and any other expense category deemed necessary for the efficient and effective operation of state government;

5. State employees traveling on official business of state government shall be reimbursed for their travel costs using the same bank account authorized by the employee in which their net pay is direct deposited; and

6. This section shall not apply to members and employees of public school boards.

f. SMALL PURCHASE CHARGE CARD, ELECTRONIC DATA INTERCHANGE, DIRECT DEPOSIT, AND PAYLINE OPT OUT: The State Comptroller is hereby authorized to charge state agencies a fee of $5 per check or earnings notice when, in his judgment, agencies have failed to comply with the Commonwealth's electronic commerce initiatives to reduce unnecessary administrative costs for the printing and mailing of state checks and earning notices. The fee shall be collected by the Department of Accounts through accounting entries.

g. PURCHASES OF APPLIANCES AND EQUIPMENT: State agencies and institutions shall purchase Energy Star rated appliances and equipment in all cases where such appliances and equipment are available.

h. ELECTRONIC PAYMENTS: Any recipient of payments from the State Treasury who receives six or more payments per year issued by the State Treasurer shall receive such payments electronically. The State Treasurer shall decide the appropriate method of electronic payment and, through his warrant issuance authority, the State Comptroller shall enforce the provisions of this section. The State Comptroller is authorized to grant administrative relief to this requirement when circumstances justify non-electronic payment.

i. LOCAL AND NON-STATE SAVINGS AND EFFICIENCIES: It is the intent of the General Assembly that State agencies shall encourage and assist local governments, school divisions, and other non-state governmental entities in their efforts to achieve cost savings and efficiencies in the provision of mandated functions and services including but not limited to finance, procurement, social services programs, and facilities management.

j. MEDICAL SERVICES: No expenditures from general or nongeneral fund sources may be made out of any appropriation by the General Assembly for providing abortion services, except as otherwise required by federal law or state statute.

k. TELECOMMUNICATION SERVICES AND DEVICES:

1. The Chief Information Officer and the State Comptroller shall develop statewide requirements for the use of cellular telephones and other telecommunication devices by in-scope Executive Department agencies, addressing the assignment, evaluation of need, safeguarding, monitoring, and usage of these telecommunication devices. The requirements shall include an acceptable use agreement template clearly defining an employee's responsibility when they receive and use a telecommunication device. Statewide requirements shall require some form of identification on a device in case it is lost or stolen and procedures to wipe the device clean of all sensitive information when it is no longer in use.

2. In-scope Executive Department agencies providing employees with telecommunication devices shall develop agency-specific policies, incorporating the guidance provided in § 4-5.04 k. 1. of this act and shall maintain a cost justification for the assignment or a public health, welfare and safety need.

3. The Chief Information Officer shall determine the optimal number of telecommunication vendors and plans necessary to meet the needs of in-scope Executive Department agency personnel. The Chief Information Officer shall regularly procure these services and provide statewide contracts for use by all such agencies. These contracts shall require the vendors to provide detailed usage information in a useable electronic format to enable the in-scope agencies to properly monitor usage to make informed purchasing decisions and minimize costs.

4. The Chief Information Officer shall examine the feasibility of providing tools for in-scope Executive Department agencies to analyze usage and cost data to assist in determining the most cost effective plan combinations for the entity as a whole and individual users.

l. ALTERNATIVE PROCUREMENT: If any payment is declared unconstitutional for any reason or if the Attorney General finds in a formal, written, legal opinion that a payment is unconstitutional, in circumstances where a good or service can constitutionally be the subject of a purchase, the administering agency of such payment is authorized to use the affected appropriation to procure, by means of the Commonwealth's Procurement Act, goods and services, which are similar to those sought by such payment in order to accomplish the original legislative intent.

§ 4-5.05 NONSTATE AGENCIES, INTERSTATE COMPACTS AND ORGANIZATIONAL MEMBERSHIPS

a. The accounts of any agency, however titled, which receives funds from this or any other appropriating act, and is not owned or controlled by the Commonwealth of Virginia, shall be subject to audit or shall present an audit acceptable to the Auditor of Public Accounts when so directed by the Governor or the Joint Legislative Audit and Review Commission.

b.1. For purposes of this subsection, the definition of "nonstate agency" is that contained in § 2.2-1505, Code of Virginia.

2. Allotment of appropriations to nonstate agencies shall be subject to the following criteria:

a) Such agency is located in and operates in Virginia.

b) The agency must be open to the public or otherwise engaged in activity of public interest, with expenditures having actually been incurred for its operation.

3. No allotment of appropriations shall be made to a nonstate agency until such agency has certified to the Secretary of Finance that cash or in-kind contributions are on hand and available to match equally all or any part of an appropriation which may be provided by the General Assembly, unless the organization is specifically exempted from this requirement by language in this act. Such matching funds shall not have been previously used to meet the match requirement in any prior appropriation act.

4. Operating appropriations for nonstate agencies equal to or in excess of $150,000 shall be disbursed to nonstate agencies in twelve or fewer equal monthly installments depending on when the first payment is made within the fiscal year. Operating appropriations for nonstate agencies of less than $150,000 shall be disbursed in one payment once the nonstate agency has successfully met applicable match and application requirements.

5. The provisions of § 2.2-4343 A 14, Code of Virginia shall apply to any expenditure of state appropriations by a nonstate agency.

c.1. Each interstate compact commission and each organization in which the Commonwealth of Virginia or a state agency thereof holds membership, and the dues for which are provided in this act or any other appropriating act, shall submit its biennial budget request to the state agency under which such commission or organization is listed in this act. The state agency shall include the request of such commission or organization within its own request, but identified separately. Requests by the commission or organization for disbursements from appropriations shall be submitted to the designated state agency.

2. Each state agency shall submit by November 1 each year, a report to the Director, Department of Planning and Budget, listing the name and purpose for organizational memberships held by that agency with annual dues of $5,000 or more. The institutions of higher education shall be exempt from this reporting requirement.

§ 4-5.06 DELEGATION OF AUTHORITY

a. The designation in this act of an officer or agency head to perform a specified duty shall not be deemed to supersede the authority of the Governor to delegate powers under the provisions of § 2.2-104 , Code of Virginia.

b. The nongeneral fund capital outlay decentralization programs initiated pursuant to § 4-5.08b of Chapter 912, 1996 Acts of Assembly as continued in subsequent appropriation acts are hereby made permanent. Decentralization programs for which institutions have executed memoranda of understanding with the Secretary of Administration pursuant to the provisions of § 4-5.08b of Chapter 912, 1996 Acts of Assembly shall no longer be considered pilot projects, and shall remain in effect until revoked.

c. Institutions wishing to participate in a nongeneral fund capital outlay decentralization program for the first time shall submit a letter of interest to the appropriate Cabinet Secretary. Within 90 calendar days of the receipt of the institution's request to participate, the responsible Cabinet Secretary shall determine whether the institution meets the eligibility criteria and, if appropriate, establish a decentralization program at the institution. The Cabinet Secretary shall report to the Governor and Chairmen of the Senate Finance and House Appropriations Committees by December 1 of each year all institutions that have applied for inclusion in a decentralization program and whether the institutions have been granted authority to participate in the decentralization program.

d. The provisions identified in § 4-5.08 f and § 4-5.08 h of Chapter 1042 of the Acts of Assembly of 2003 pertaining to pilot programs for selected capital outlay projects and memoranda of understanding in institutions of higher education are hereby continued. Notwithstanding these provisions, those projects shall be insured through the state's risk management liability program.

e. If during an independent audit conducted by the Auditor of Public Accounts, the audit discloses that an institution is not performing within the terms of the memoranda of understanding or their addenda, the Auditor shall report this information to the Governor, the responsible Cabinet Secretary, and the Chairmen of the Senate Finance and House Appropriations Committees.

f. Institutions that have executed memoranda of understanding with the Secretary of Administration for nongeneral fund capital outlay decentralization programs are hereby granted a waiver from the provisions of § 2.2-4301, Competitive Negotiation, subdivision 3a, Code of Virginia, regarding the not to exceed amount of $100,000 for a single project, the not to exceed sum of $500,000 for all projects performed, and the option to renew for two additional one-year terms.

g. Notwithstanding any contrary provision of law or this act, delegations of authority in this act to the Governor shall apply only to agencies and personnel within the Executive Department, unless specifically stated otherwise.

h. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly.

§ 4-5.07 LEASE, LICENSE OR USE AGREEMENTS

a. Agencies shall not acquire or occupy real property through lease, license or use agreement until the agency certifies to the Director, Department of General Services, that (i) funds are available within the agency's appropriations made by this act for the cost of the lease, license or use agreement and (ii) except for good cause as determined by the Department of General Services, the volume of such space conforms with the space planning procedures for leased facilities developed by the Department of General Services and approved by the Governor. The Department of General Services shall acquire and hold such space for use by state departments, agencies and institutions within the Executive Branch and may utilize brokerage services, portfolio management strategies, strategic planning, transaction management, project and construction management, and lease administration strategies consistent with industry best practices as adopted by the Department from time to time. These provisions may be waived in writing by the Director, Department of General Services. However, these provisions shall not apply to institutions of higher education that have met the conditions prescribed in subsection B of § 23-38.88, Code of Virginia.

b. Agencies acquiring personal property in accordance with § 2.2-2417, Code of Virginia, shall certify to the State Treasurer that funds are available within the agency's appropriations made by this act for the cost of the lease.

§ 4-5.08 SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAMS

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

b. The Governor shall consult with the House Appropriations and Senate Finance Committees before amending any existing memorandum of understanding. These Committees shall have the opportunity to review any changes prior to their execution by the Commonwealth.

§ 4-5.09 DISPOSITION OF SURPLUS REAL PROPERTY

a. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the departments, divisions, institutions, or agencies of the Commonwealth, or the Governor, shall sell or lease surplus real property only under the following circumstances:

1. Any emergency declared in accordance with §§ 44-146.18:2 or 44-146.28, Code of Virginia, or

2. Not less than thirty days after the Governor notifies, in writing, the Chairmen of the House Appropriations and Senate Finance Committees regarding the planned conveyance, including a statement of the proceeds to be derived from such conveyance and the individual or entity taking title to such property.

3. Surplus property valued at less than $5,000,000 that is possessed and controlled by a public institution of higher education, pursuant to §§ 2.2-1149 and 2.2-1153, Code of Virginia.

b. In any circumstance provided for in subsection a of this section, the cognizant board or governing body of the agency or institution holding title or otherwise controlling the state-owned property shall approve, in writing, the proposed conveyance of the property.

c. In accordance with § 15.2-2005, Code of Virginia, the consent of the General Assembly is herein provided for the road known as Standpipe Road, that was relocated and established on a portion of the Virginia Department of Transportation's Culpeper District Office property, identified as Tax Map No. 50-28, to improve the operational efficiency of the local road network in the Town of Culpeper. Further, the Virginia Department of Transportation is hereby authorized to convey to the Town of Culpeper, upon such terms and conditions as the Department deems proper and for such considerations the Department may determine, the property on which "Standpipe Road (Relocated)(Variable Width R/W)" on the plat entitled "plat Showing Property and Various Easements for Standpipe Road Relocated, Tax Map 50-28, Town of Culpeper, Culpeper County, Virginia" prepared by ATCS P.L.C and sealed March 14, 2012, together with easements to the Town of Culpeper for electric utility, slopes and drainage as shown on said plat. The conveyance shall be made with the approval of the Governor and in a form approved by the Attorney General. The appropriate officials of the Commonwealth are hereby authorized to prepare, execute, and deliver such deed and other documents as may be necessary to accomplish the conveyance.

d. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, if tax-exempt bonds were issued by the Commonwealth or its related authorities, boards or institutions to finance the acquisition, construction, improvement or equipping of real property,

proceeds from the sale or disposition of such property and any improvements may first be applied toward remediation options available under federal law to maintain the tax-exempt status of such bonds.

§ 4-5.10 SURPLUS PROPERTY TRANSFERS FOR ECONOMIC DEVELOPMENT

a. The Commonwealth shall receive the fair market value of surplus state property which is designated by the Governor for economic development purposes, and for any properties owned by an Industrial Development Authority in any county where the Commonwealth has a continuing interest based on the deferred portion of the purchase price, which shall be assessed by more than one independent appraiser certified as a Licensed General Appraiser. Such property shall not be disposed of for less than its fair market value as determined by the assessments.

b. Recognizing the commercial, business and industrial development potential of certain lands declared surplus, and for any properties owned by an Industrial Development Authority in any county where the Commonwealth has a continuing interest based on the deferred portion of the purchase price, the Governor shall be authorized to utilize funds available in the Governor's discretion, to meet the requirements of the preceding subsection a. Sale proceeds, together with the money from the Commonwealth's Development Opportunity Fund, shall be deposited as provided in § 2.2-1156 D, Code of Virginia.

c. Within thirty days of closing on the sale of surplus property designated for economic development, the Governor or his designee shall report to the Chairmen of the Senate Finance and House Appropriations Committees. The report shall include information on the number of acres sold, sales price, amount of proceeds deposited to the general fund and Conservation Resources Fund, and the fair market value of the sold property.

d. Except for subaqueous lands that have been filled prior to January 1, 2006, the Governor shall not sell or convey those subaqueous lands identified by metes and bounds in Chapter 884 of the Acts of the Assembly of 2006.

§ 4-6.00 POSITIONS AND EMPLOYMENT

§ 4-6.01 EMPLOYEE COMPENSATION

a. The compensation of all kinds and from all sources of each appointee of the Governor and of each officer and employee in the Executive Department who enters the service of the Commonwealth or who is promoted to a vacant position shall be fixed at such rate as shall be approved by the Governor in writing or as is in accordance with rules and regulations established by the Governor. No increase shall be made in such compensation except with the Governor's written approval first obtained or in accordance with the rules and regulations established by the Governor. In all cases where any appointee, officer or employee is employed or promoted to fill a vacancy in a position for which a salary is specified by this act, the Governor may fix the salary of such officer or employee at a lower rate or amount within the respective level than is specified. In those instances where a position is created by an act of the General Assembly but not specified by this act, the Governor may fix the salary of such position in accordance with the provisions of this subsection.

b. Annual salaries of persons appointed to positions by the General Assembly, pursuant to the provisions of §§ 2.2-200 and 2.2-400, Code of Virginia, shall be paid in the amounts shown.

	July 1, 2014 to June 24, 2015	**June 25, 2015 to November 24, 2015**	**November 25, 2015 to June 30, 2016**
Chief of Staff	$164,448	$164,448	$164,448
Secretary of Administration	$156,629	$156,629	$156,629
Secretary of Agriculture and Forestry	$156,174	$156,174	$156,174
Secretary of Commerce and Trade	$163,642	$163,642	$163,642
Secretary of the Commonwealth	$155,849	$155,849	$155,849
Secretary of Education	$156,824	$156,824	$156,824
Secretary of Finance	$165,592	$165,592	$165,592
Secretary of Health and Human Resources	$155,849	$155,849	$155,849
Secretary of Natural Resources	$155,849	$155,849	$155,849

Secretary of Public Safety and Homeland Security	$165,527	$165,527	$165,527
Secretary of Technology	$155,849	$155,849	$155,849
Secretary of Transportation	$163,642	$163,642	$163,642
Secretary of Veterans and Defense Affairs	$160,433	$160,433	$160,433

c.1.a) Annual salaries of persons appointed to positions listed in subdivision c 6 hereof shall be paid in the amounts shown for the current biennium, unless changed in accordance with conditions stated in subdivisions c 2 through c 5 hereof.

b) The starting salary of a new appointee shall not exceed the midpoint of the range, except where the midpoint salary is less than a ten percent increase from an appointee's preappointment compensation. In such cases, an appointee's starting salary may be set at a rate which is ten percent higher than the preappointment compensation, provided that the maximum of the range is not exceeded. However, in instances where an appointee's preappointment compensation exceeded the maximum of the respective salary range, then the salary for that appointee may be set at the maximum salary for the respective salary range.

c) Nothing in subdivision c 1 shall be interpreted to supersede the provisions of § 4-6.01 e, f, g, h, i, j, k, l, and m of this act.

d) For new appointees to positions listed in § 4-6.01c.6., the Governor is authorized to provide for fringe benefits in addition to those otherwise provided by law, including post retirement health care and other non-salaried benefits provided to similar positions in the public sector.

2.a)1) The Governor may increase or decrease the annual salary for incumbents of positions listed in subdivision c 6 below at a rate of up to 10 percent in any single fiscal year between the minimum and the maximum of the respective salary range in accordance with an assessment of performance and service to the Commonwealth.

2) The governing boards of the independent agencies may increase or decrease the annual salary for incumbents of positions listed in subdivision c.7. below at a rate of up to 10 percent in any fiscal year between the minimum and maximum of the respective salary range, in accordance with an assessment of performance and service to the Commonwealth.

b)1) The appointing or governing authority may grant performance bonuses of 0-5 percent for positions whose salaries are listed in §§ 1-1 through 1-9, and 4-6.01 b, c, and d of this act, based on an annual assessment of performance, in accordance with policies and procedures established by such appointing or governing authority. Such performance bonuses shall be over and above the salaries listed in this act, and shall not become part of the base rate of pay.

2) The appointing or governing authority shall report performance bonuses which are granted to executive branch employees to the Department of Human Resource Management for retention in its records.

3. From the effective date of the Executive Pay Plan set forth in Chapter 601, Acts of Assembly of 1981, all incumbents holding positions listed in this § 4-6.01 shall be eligible for all fringe benefits provided to full-time classified state employees and, notwithstanding any provision to the contrary, the annual salary paid pursuant to this § 4-6.01 shall be included as creditable compensation for the calculation of such benefits.

4. Notwithstanding § 4-6.01.c.2.b)1) of this Act, the Board of Commissioners of the Virginia Port Authority may supplement the salary of its Executive Director, with the prior approval of the Governor. The Board should be guided by criteria which provide a reasonable limit on the total additional income of the Executive Director. The criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable ports of other states. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

5. With the written approval of the Governor, the Board of Trustees of the Virginia Museum of Fine Arts, the Science Museum of Virginia, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, Gunston Hall, and the Library Board may supplement the salary of the Director of each museum, and the Librarian of Virginia from nonstate funds. In approving a supplement, the Governor should be guided by criteria which provide a reasonable limit on the total additional income and the criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable museums and libraries of other states. The respective Boards shall report approved supplements to the Department of Human Resource Management for retention in its records.

6.a) The following salaries shall be paid for the current biennium in the amounts shown, however, all salary changes shall be subject to subdivisions c 2 through c 5 above.

	July 1, 2014 to June 24, 2015	**June 25, 2015 to November 24, 2015**	**November 25, 2015 to June 30, 2016**

Level I Range	**$146,318 - $204,044**	**$146,318 - $204,044**	**$146,318 - $204,044**
Midpoint	**$175,181**	**$175,181**	**$175,181**
Chief Information Officer, Virginia Information Technologies Agency	$160,650	$160,650	$160,650
Commissioner, Department of Motor Vehicles	$156,706	$156,706	$156,706
Commissioner, Department of Social Services	$147,000	$147,000	$147,000
Commissioner, Department of Behavioral Health and Developmental Services	$196,090	$196,090	$196,090
Commonwealth Transportation Commissioner	$204,044	$204,044	$204,044
Director, Department of Corrections	$153,000	$153,000	$153,000
Director, Department of Environmental Quality	$162,834	$162,834	$162,834
Director, Department of Medical Assistance Services	$170,932	$170,932	$170,932
Director, Department of Planning and Budget	$162,470	$162,470	$162,470
State Health Commissioner	$185,130	$185,130	$185,130
State Tax Commissioner	$148,144	$155,000	$155,000
Superintendent of Public Instruction	$180,796	$180,796	$180,796
Superintendent of State Police	$158,088	$158,088	$158,088

	July 1, 2014 to June 24, 2015	**June 25, 2015 to November 24, 2015**	**November 25, 2015 to June 30, 2016**
Level II Range	**$103,153 - $162,344**	**$103,153 - $162,344**	**$103,153 - $162,344**
Midpoint	**$132,749**	**$132,749**	**$132,749**
Alcoholic Beverage Control Commissioner	$124,440	$124,440	$124,440
Alcoholic Beverage Control Commissioner	$124,440	$124,440	$124,440
Chairman, Alcoholic Beverage Control Board	$133,598	$133,598	$133,598

Commissioner, Department for Aging and Rehabilitative Services	$147,558	$147,558	$147,558
Commissioner, Department of Agriculture and Consumer Services	$122,400	$122,400	$122,400
Commissioner, Department of Veterans Services	$122,400	$122,400	$122,400
Commissioner, Virginia Employment Commission	$130,662	$130,662	$130,662
Executive Director, Department of Game and Inland Fisheries	$135,547	$135,547	$135,547
Commissioner, Marine Resources Commission	$119,653	$119,653	$119,653
Director, Department of Forensic Science	$158,221	$158,221	$158,221
Director, Department of General Services	$152,104	$152,104	$152,104
Director, Department of Human Resource Management	$141,689	$141,689	$141,689
Director, Department of Juvenile Justice	$123,165	$123,165	$123,165
Director, Department of Mines, Minerals and Energy	$129,336	$129,336	$129,336
Director, Department of Rail and Public Transportation	$134,775	$134,775	$134,775
Director, Department of Small Business and Supplier Diversity	$103,153	$103,153	$103,153
Executive Director, DMV Dealer Board	$119,509	$119,509	$119,509
Executive Director, Virginia Port Authority	$137,186	$137,186	$137,186
State Comptroller	$162,344	$162,344	$162,344
State Treasurer	$162,214	$162,214	$162,214
	July 1, 2014 to June 24, 2015	**June 25, 2015 to November 24, 2015**	**November 25, 2015 to June 30, 2016**
Level III Range	**$104,173- $144,276**	**$104,173- $144,276**	**$104,173- $144,276**

Midpoint	**$124,225**	**$124,225**	**$124,225**
Adjutant General	$135,548	$135,548	$135,548
Chairman, Virginia Parole Board	$124,985	$124,985	$124,985
Commissioner, Department of Labor and Industry	$113,040	$113,040	$113,040
Coordinator, Department of Emergency Management	$124,741	$124,741	$124,741
Director, Department of Aviation	$131,016	$131,016	$131,016
Director, Department of Conservation and Recreation	$130,560	$130,560	$130,560
Director, Department of Criminal Justice Services	$115,668	$115,668	$115,668
Director, Department of Health Professions	$128,650	$128,650	$128,650
Director, Department of Historic Resources	$108,463	$108,463	$108,463
Director, Department of Housing and Community Development	$128,772	$128,772	$128,772
Director, Department of Professional and Occupational Regulation	$114,240	$114,240	$114,240
Director, The Science Museum of Virginia	$131,667	$131,667	$131,667
Director, Virginia Museum of Fine Arts	$136,791	$136,791	$136,791
Director, Virginia Museum of Natural History	$112,455	$112,455	$112,455
Executive Director, Jamestown-Yorktown Foundation	$132,254	$132,254	$132,254
Executive Secretary, Virginia Racing Commission	$110,641	$110,641	$110,641
Librarian of Virginia	$144,276	$144,276	$144,276
State Forester, Department of Forestry	$104,173	$104,173	$104,173
	July 1, 2014 to June 24, 2015	**June 25, 2015 to November 24, 2015**	**November 25, 2015 to June 30, 2016**
Level IV Range	**$101,933 -$113,009**	**$101,933 -$113,009**	**$101,933 -$113,009**

Midpoint	**$107,471**	**$107,471**	**$107,471**
Administrator, Commonwealth's Attorneys' Services Council	$101,933	$101,933	$101,933
Commissioner, Virginia Department for the Blind and Vision Impaired	$112,245	$112,245	$112,245
Executive Director, Board of Accountancy	$113,009	$113,009	$113,009
Executive Director, Frontier Culture Museum of Virginia	$108,977	$108,977	$108,977
Commissioner, Department of Elections	$106,080	$106,080	$106,080

	July 1, 2014 to June 24, 2015	**June 25, 2015 to November 24, 2015**	**November 25, 2015 to June 30, 2016**
Level V Range	**$22,383 - $92,045**	**$22,383 - $92,045**	**$22,383 - $92,045**
Midpoint	**$57,214**	**$57,214**	**$57,214**
Director, Gunston Hall	$86,176	$86,176	$86,176
Director, Virginia Department for the Deaf and Hard-of-Hearing	$92,045	$92,045	$92,045
Executive Director, Department of Fire Programs	$89,887	$89,887	$89,887
Executive Director, Virginia Commission for the Arts	$88,724	$88,724	$88,724
Chairman of Board Chairman, Compensation Board	$22,383	$22,383	$22,383

7. Annual salaries of the directors of the independent agencies, as listed in this subdivision, shall be paid in the amounts shown. All salary changes shall be subject to subdivisions c 1, c 2, and c 3 above.

	July 1, 2014 to June 24, 2015	**June 25, 2015 to November 24, 2015**	**November 25, 2015 to June 30, 2016**
Independent Range	**$147,198 - $175,709**	**$147,198 - $175,709**	**$147,198 - $175,709**
Midpoint	**$161,453**	**$161,453**	**$161,453**
Director, Virginia Lottery	$147,198	$147,198	$147,198
Director, Virginia Retirement System	$175,709	$175,709	$175,709

Chief Executive Officer, Virginia College Savings Plan	$174,084	$174,084	$174,084

8. Notwithstanding any provision of this Act, the Board of Trustees of the Virginia Retirement System may supplement the salary of its Director. The Board should be guided by criteria, which provide a reasonable limit on the total additional income of the Director. The criteria should include, without limitation, a consideration of the salaries paid to similar officials in comparable public pension plans. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

9. Notwithstanding any provision of this Act, the Board of the Virginia College Savings Plan may supplement the compensation of its Chief Executive Officer. The Board should be guided by criteria which provide a reasonable limit on the total additional income of the Chief Executive Officer. The criteria should include, without limitation, a consideration of compensation paid to similar officials in comparable qualified tuition programs, independent public agencies or other entities with similar responsibilities and size. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

d.1. Annual salaries of the presidents of the senior institutions of higher education, the President of Richard Bland College, the Chancellor of the University of Virginia's College at Wise, the Superintendent of the Virginia Military Institute, the Director of the State Council of Higher Education, the Director of the Southern Virginia Higher Education Center, the Director of the Southwest Virginia Higher Education Center and the Chancellor of Community Colleges, as listed in this paragraph, shall be paid in the amounts shown. The annual salaries of the presidents of the community colleges shall be fixed by the State Board for Community Colleges within a salary structure submitted to the Governor prior to June 1 each year for approval.

2.a) The board of visitors of each institution of higher education or the boards of directors for Southern Virginia Higher Education Center, Southwest Virginia Higher Education Center, and the New College Institute may annually supplement the salary of a president or director from private gifts, endowment funds, foundation funds, or income from endowments and gifts. Supplements paid from other than the cited sources prior to June 30, 1997, may continue to be paid. In approving a supplement, the board of visitors or board of directors should be guided by criteria which provide a reasonable limit on the total additional income of a president or director. The criteria should include a consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services. The board of visitors or board of directors shall report approved supplements to the Department of Human Resource Management for retention in its records.

b) The State Board for Community Colleges may annually supplement the salary of the Chancellor from any available appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community Colleges should be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The criteria should include consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

c) Norfolk State University is authorized to supplement the salary of its president from educational and general funds up to $17,000.

d) Should a vacancy occur for the Director of the State Council of Higher Education on or after the date of enactment of this act, the salary for the new director shall be established by the State Council of Higher Education based on the salary range for Level I agency heads. Furthermore, the state council may provide a bonus of up to five percent of the annual salary for the new director.

	July 1, 2014 to June 24, 2015	**June 25, 2015 to November 24, 2015**	**November 25, 2015 to June 30, 2016**
NEW COLLEGE INSTITUTE			
Executive Director, New College Institute	$173,759	$173,759	$173,759
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA			
Director, State Council of Higher Education for Virginia	$187,960	$187,960	$187,960
SOUTHERN VIRGINIA HIGHER EDUCATION			

CENTER			
Director, Southern Virginia Higher Education Center	$127,424	$127,424	$127,424
SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER			
Director, Southwest Virginia Higher Education Center	$128,300	$128,300	$128,300
VIRGINIA COMMUNITY COLLEGE SYSTEM			
Chancellor of Community Colleges	$171,368	$171,368	$171,368
SENIOR COLLEGE PRESIDENTS' SALARIES			
Chancellor, University of Virginia's College at Wise	$127,213	$127,213	$127,213
President, Christopher Newport University	$134,526	$134,526	$134,526
President, The College of William and Mary in Virginia	$160,394	$160,394	$160,394
President, George Mason University	$151,273	$151,273	$151,273
President, James Madison University	$156,247	$156,247	$156,247
President, Longwood University	$150,395	$150,395	$150,395
President, Norfolk State University	$143,627	$143, 627	$143, 627
President, Old Dominion University	$170,328	$170,328	$170,328
President, Radford University	$154,991	$154,991	$154,991
President, Richard Bland College	$131,784	$131,784	$131,784
President, University of Mary Washington	$145,011	$145,011	$145,011
President, University of Virginia	$179,635	$179,635	$179,635
President, Virginia Commonwealth University	$181,369	$181,369	$181,369
President, Virginia Polytechnic Institute and State University	$190,567	$190,567	$190,567
President, Virginia State University	$146,496	$146,496	$146,496
Superintendent, Virginia Military Institute	$146,566	$146,566	$146,566

e. 1. Salaries for newly employed or promoted employees shall be established consistent with the compensation and classification plans established by the Governor.

2. The State Comptroller is hereby authorized to require payment of wages or salaries to state employees by direct deposit or by credit to a prepaid debit card or card account from which the employee is able to withdraw or transfer funds.

f. The provisions of this section, requiring prior written approval of the Governor relative to compensation, shall apply also to any system of incentive award payments which may be adopted and implemented by the Governor. The cost of implementing any such system shall be paid from any funds appropriated to the affected agencies.

g. No lump sum appropriation for personal service shall be regarded as advisory or suggestive of individual salary rates or of salary schedules to be fixed under law by the Governor payable from the lump sum appropriation.

h. Subject to approval by the Governor of a plan for a statewide employee meritorious service awards program, as provided for in § 2.2-1201, Code of Virginia, the costs for such awards shall be paid from any operating funds appropriated to the affected agencies.

i. The General Assembly hereby affirms and ratifies the Governor's existing authority and the established practice of this body to provide for pay differentials or to supplement base rates of pay for employees in specific job classifications in particular geographic and/or functional areas where, in the Governor's discretion, they are needed for the purpose of maintaining salaries which enable the Commonwealth to maintain a competitive position in the relevant labor market.

j.1. If at any time the Administrator of the Commonwealth's Attorneys' Services Council serves on the faculty of a state-supported institution of higher education, the faculty appointment must be approved by the Council. Such institution shall pay one-half of the salary listed in § 4-6.01 c 6 of this act. Further, such institution may provide compensation in addition to that listed in § 4-6.01 c 6; provided, however, that such additional compensation must be approved by the Council.

2. If the Administrator ceases to be a member of the faculty of a state-supported institution of higher education, the total salary listed in § 4-6.01 c 6 shall be paid from the Council's appropriation.

k.1. Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role contained in the compensation and classification plans approved by the Governor shall be effective beginning with the first pay period, defined as the pay period from June 25 through July 9, of the fiscal year if: (1) the agency certifies to the Secretary of Finance that funds are available within the agency's appropriation to cover the cost of the increase for the remainder of the current biennium and presents a plan for covering the costs next biennium and the Secretary concurs, or (2) such funds are appropriated by the General Assembly. If at any time the Secretary of Administration shall certify that such change in the salary band assignment for a job role is of an emergency nature and the Secretary of Finance shall certify that funds are available to cover the cost of the increase for the remainder of the biennium within the agency's appropriation, such change in compensation may be effective on a date agreed upon by these two Secretaries. The Secretary of Administration shall provide a monthly report of all such emergency changes in accordance with § 4-8.00, Reporting Requirements.

2. Salary adjustments for any employee through a promotion, role change, exceptional recruitment and retention incentive options, or in-range adjustment shall occur only if: a) the agency has sufficient funds within its appropriation to cover the cost of the salary adjustment for the remainder of the current biennium or b) such funds are appropriated by the General Assembly.

3. No changes in salary band assignments affecting classified employees of more than one agency shall become effective unless the Secretary of Finance certifies that sufficient funds are available to provide such increase or plan to all affected employees supported from the general fund.

l. Full-time employees of the Commonwealth, including faculty members of state institutions of higher education, who are appointed to a state-level board, council, commission or similar collegial body shall not receive any such compensation for their services as members or chairmen except for reimbursement of reasonable and necessary expenses. The foregoing provision shall likewise apply to the Compensation Board, pursuant to § 15.2-1636.5, Code of Virginia.

m.1. Notwithstanding any other provision of law, the board of visitors or other governing body of any public institution of higher education is authorized to establish age and service eligibility criteria for faculty participating in voluntary early retirement incentive plans for their respective institutions pursuant to § 23-9.2:3.1 B and the cash payment offered under such compensation plans pursuant to § 23-9.2:3.1 D, Code of Virginia. Notwithstanding the limitations in § 23-9.2:3.1 D, the total cost in any fiscal year for any such compensation plan , shall be set forth by the governing body in the compensation plan for approval by the Governor and review for legal sufficiency by the Office of the Attorney General.

2. Notwithstanding any other provision of law, employees holding full-time, academic-year classified positions at public institutions of higher education shall be considered "state employees" as defined in § 51.1-124.3, Code of Virginia, and shall be considered for medical/hospitalization, retirement service credit, and other benefits on the same basis as those individuals appointed to full-time, 12-month classified positions.

n. Notwithstanding the Department of Human Resource Management Policies and Procedures, payment to employees with five or more years of continuous service who either terminate or retire from service shall be paid in one sum for twenty-five percent of their

sick leave balance, provided, however, that the total amount paid for sick leave shall not exceed $5,000 and the remaining seventy-five percent of their sick leave shall lapse. This provision shall not apply to employees who are covered by the Virginia Sickness and Disability Program as defined in § 51.1-1100, Code of Virginia. Such employees shall not be paid for their sick leave balances. However, they will be paid, if eligible as described above, for any disability leave credits they have at separation or retirement or may convert disability credits to service credit under the Virginia Retirement System pursuant to § 51.1-1103 (F), Code of Virginia.

o. It is the intent of the General Assembly that calculation of the faculty salary benchmark goal for the Virginia Community College System shall be done in a manner consistent with that used for four-year institutions, taking into consideration the number of faculty at each of the community colleges. In addition, calculation of the salary target shall reflect an eight percent salary differential in a manner consistent with other public four-year institutions and for faculty at Northern Virginia Community College.

p. Any public institution of higher education that has met the eligibility criteria set out in Chapters 933 and 945 of the 2005 Acts of Assembly may supplement annual salaries for classified employees from private gifts, endowment funds, or income from endowments and gifts, subject to policies approved by the board of visitors. The Commonwealth shall have no general fund obligations for the continuation of such salary supplements.

q. The Governor, or any other appropriate Board or Public Body, is authorized to adjust the salaries of employees specified in this item, and other items in the Act, to reflect the compensation adjustments authorized in Item 468 of this Act.

r. Any public institution of higher education shall not provide general fund monies above $100,000 for any individual athletic coaching salaries after July 1, 2013. Athletic coaching salaries with general fund monies above this amount shall be phased-down over a five-year period at 20 percent per year until reaching the cap of $100,000.

s. The Governor, or any other appropriate Board or Public Body, is authorized to adjust the salaries of employees specified in this item, and other items in the Act, to reflect the compensation adjustments authorized in Item 467 of this Act.

t.1. Notwithstanding the salaries set out in Items 2, 4, 5, and 6, the Committee on Joint Rules may establish salary ranges for such agency heads consistent with the provisions and salary ranges included in § 4-6.01 of this act.

2. Notwithstanding the salaries listed in Item 3 of this act, the Commission on the Virginia Alcohol Safety Action Program may establish a salary range for the Executive Director of the program.

3. Notwithstanding the salaries listed in Item 30 of this act, the Joint Legislative Audit and Review Commission (JLARC) may establish a salary range for the Director of JLARC.

§ 4-6.02 EMPLOYEE TRAINING AND STUDY

Subject to uniform rules and regulations established by the Governor, the head of any state agency may authorize, from any funds appropriated to such department, institution or other agency in this act or subsequently made available for the purpose, compensation or expenses or both compensation and expenses for employees pursuing approved training courses or academic studies for the purpose of becoming better equipped for their employment in the state service. The rules and regulations shall include reasonable provision for the return of any employee receiving such benefits for a reasonable period of duty, or for reimbursement to the state for expenditures incurred on behalf of the employee should he not return to state service.

§ 4-6.03 EMPLOYEE BENEFITS

a. Any medical/hospitalization benefit program provided for state employees shall include the following provision: any state employee, as defined in § 2.2-2818, Code of Virginia, shall have the option to accept or reject coverage.

b. Except as provided for sworn personnel of the Department of State Police, no payment of, or reimbursement for, the employer paid contribution to the State Police Officers' Retirement System, or any system offering like benefits, shall be made by the Compensation Board of the Commonwealth at a rate greater than the employer rate established for the general classified workforce of the Commonwealth covered under the Virginia Retirement System. Any cost for benefits exceeding such general rate shall be borne by the employee or, in the case of a political subdivision, by the employer.

c. Each agency may, within the funds appropriated by this act, implement a transit and ridesharing incentive program for its employees. With such programs, agencies may reimburse employees for all or a portion of the costs incurred from using public transit, car pools, or van pools. The Secretary of Transportation shall develop guidelines for the implementation of such programs and any agency program must be developed in accordance with such guidelines. The guidelines shall be in accordance with the federal National Energy Policy Act of 1992 (P.L. 102-486), and no program shall provide an incentive that exceeds the actual costs incurred by the employee.

d. Any hospital that serves as the primary medical facility for state employees may be allowed to participate in the State Employee Health Insurance Program pursuant to § 2.2-2818, Code of Virginia, provided that (1) such hospital is not a participating provider in the network, contracted by the Department of Human Resource Management, that serves state

employees and (2) such hospital enters into a written agreement with the Department of Human Resource Management as to the rates of reimbursement. The department shall accept the lowest rates offered by the hospital from among the rates charged by the hospital to (1) its largest purchaser of care, (2) any state or federal public program, or (3) any special rate developed by the hospital for the state employee health benefits program which is lower than either of the rates above. If the department and the hospital cannot come to an agreement, the department shall reimburse the hospital at the rates contained in its final offer to the hospital until the dispute is resolved. Any dispute shall be resolved through arbitration or through the procedures established by the Administrative Process Act, as the hospital may decide, without impairment of any residual right to judicial review.

e. Any classified employee of the Commonwealth and any person similarly employed in the legislative, judicial and independent agencies who (i) is compensated on a salaried basis and (ii) works at least twenty hours per week shall be considered a full-time employee for the purposes of participation in the Virginia Retirement System's group life insurance and retirement programs. Any part-time magistrate hired prior to July 1, 1999, shall have the option of participating in the programs under this provision.

f.1. Any member of the Virginia Retirement System who is retired under the provisions of § 51.1-155.1, Code of Virginia who: 1) returns to work in a position that is covered by the provisions of § 51.1-155.1, Code of Virginia after a break of not less than four years, 2) receives no other compensation for service to a public employer than that provided for the position covered by § 51.1-155.1, Code of Virginia during such period of reemployment, 3) retires within one year of commencing such period of reemployment, and 4) retires directly from service at the end of such period of reemployment may either:

a) Revert to the previous retirement benefit received under the provisions of § 51.1-155.1, Code of Virginia, including any annual cost of living adjustments granted thereon. This benefit may be adjusted upward to reflect the effect of such additional months of service and compensation received during the period of reemployment, or

b) Retire under the provisions of Title 51.1 in effect at the termination of his or her period of reemployment, including any purchase of service that may be eligible for purchase under the provisions of § 51.1-142.2, Code of Virginia.

2. The Virginia Retirement System shall establish procedures for verification by the employer of eligibility for the benefits provided for in this paragraph.

g. Notwithstanding any other provision of law, no agency head compensated by funds appropriated in this act may be a member of the Virginia Law Officers' Retirement System created under Title 51.1, Chapter 2.1, Code of Virginia. The provisions of this paragraph are effective on July 1, 2002, and shall not apply to the Chief of the Capitol Police.

h. Full-time employees appointed by the Governor who, except for meeting the minimum service requirements, would be eligible for the provisions of § 51.1-155.1, Code of Virginia, may, upon termination of service, use any severance allowance payment to purchase service to meet, but not exceed, the minimum service requirements of § 51.1-155.1, Code of Virginia. Such service purchase shall be at the rate of 15 percent of the employee's final creditable compensation or average final compensation, whichever is greater, and shall be completed within 90 days of separation of service.

i. When calculating the retirement benefits payable under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), the Virginia Law-enforcement Officers' Retirement System (VaLORS), or the Judicial Retirement System (JRS) to any employee of the Commonwealth or its political subdivisions who is called to active duty with the armed forces of the United States, including the United States Coast Guard, the Virginia Retirement System shall:

1) utilize the pre-deployment salary, or the actual salary paid by the Commonwealth or the political subdivision, whichever is higher, when calculating average compensation, and

2) include those months after September 1, 2001 during which the employee was serving on active duty with the armed forces of the United States in the calculation of creditable service.

j. The provisions in § 51.1-144, Code of Virginia, that require a member to contribute five percent of his creditable compensation for each pay period for which he receives compensation on a salary reduction basis, shall not apply to any (i) "state employee," as defined in § 51.1-124.3, Code of Virginia, who is an elected official, or (ii) member of the Judicial Retirement System under Chapter 3 of Title 51.1 (§ 51.1-300 et seq.), who is not a "person who becomes a member on or after July 1, 2010," as defined in § 51.1-124.3, Code of Virginia.

k. Notwithstanding the provisions of subsection G of § 51.1-156, any employee of a school division who completed a period of 24 months of leave of absence without pay during October 2013 and who had previously submitted an application for disability retirement to VRS in 2011 may submit an application for disability retirement under the provisions of § 51.1-156. Such application shall be received by the Virginia Retirement System no later than October 1, 2014. This provision shall not be construed to grant relief in any case for which a court of competent jurisdiction has already rendered a decision, as contemplated by Article II, Section 14 of the Constitution of Virginia.

l. Notwithstanding the provisions of subsection B of § 51.1-155, any person who (i) has attained age 62, (ii) is receiving a service retirement allowance under Chapter 1 of Title 51.1, and (iii) was employed in an otherwise covered position as interim president and chief executive officer of an institution of higher education, who were appointed prior to January 1, 2014, for a period necessary to

rectify significant management deficiencies, may elect to continue to receive the retirement allowance during such employment. If the person elects to continue to receive the retirement allowance, then his service performed and compensation received during the period of time he receives the retirement allowance will not increase, decrease, or affect in any way his retirement benefits before, during, or after such employment.

§ 4-6.04 CHARGES

a. FOOD SERVICES: Except as exempted by the prior written approval of the Director, Department of Human Resource Management, and the provisions of § 2.2-3605, Code of Virginia, state employees shall be charged for meals served in state facilities. Charges for meals will be determined by the agency. Such charges shall be not less than the value of raw food and the cost of direct labor and utilities incidental to preparation and service. Each agency shall maintain records as to the calculation of meal charges and revenues collected. Except where appropriations for operation of the food service are from nongeneral funds, all revenues received from such charges shall be paid directly and promptly into the general fund. The provisions of this paragraph shall not apply to on-duty employees assigned to correctional facilities operated by the Departments of Corrections and Juvenile Justice.

b. HOUSING SERVICES:

1. Each agency will collect a fee from state employees who occupy state-owned or leased housing, subject to guidelines provided by the Director, Department of General Services. Each agency head is responsible for establishing a fee for state-owned or leased housing and for documenting in writing why the rate established was selected. In exceptional circumstances, which shall be documented as being in the best interest of the Commonwealth by the agency requesting an exception, the Director, Department of General Services may waive the requirement for collection of fees.

2. All revenues received from housing fees shall be promptly deposited in the state treasury. For housing for which operating expenses or rent are financed by general fund appropriations, such revenues shall be deposited to the credit of the general fund. For housing for which operating expenses or rent are financed by nongeneral fund appropriations, such revenues shall be deposited to the credit of the nongeneral fund. Agencies which provide housing for which operating expenses or rent are financed from both general fund and nongeneral fund appropriations shall allocate such revenues, when deposited in the state treasury, to the appropriate fund sources in the same proportion as the appropriations. However, without exception, any portion of a housing fee attributable to depreciation for housing which was constructed with general fund appropriations shall be paid into the general fund.

c. PARKING SERVICES:

1. State-owned parking facilities

Agencies with parking space for employees in state-owned facilities shall, when required by the Director, Department of General Services, charge employees for such space on a basis approved by the Governor. All revenues received from such charges shall be paid directly and promptly into a special fund in the state treasury to be used, as determined by the Governor, for payment of costs for the provision of vehicle parking spaces. Interest shall be added to the fund as earned. -

2. Leased parking facilities in metropolitan Richmond area

Agencies occupying private sector leased or rental space in the metropolitan Richmond area, not including institutions of higher education, shall be required to charge a fee to employees for vehicle parking spaces that are assigned to them or are otherwise available either incidental to the lease or rental agreement or pursuant to a separate lease agreement for private parking space. In such cases, the individual employee parking fee shall not be less than that paid by employees parking in Department of General Services parking facilities at the Seat of Government. The Director, Department of General Services may amend or waive the fee requirement for good cause. Revenues derived from employees paying for parking spaces in leased facilities will be retained by the leasing agency to be used to offset the cost of the lease to which it pertains. Any lease for private parking space must be approved by the Director, Department of General Services.

3. The assignment of Lot P1A of the Department of General Services, Capitol Area Site Plan, to include parking spaces 1 through 37, but excluding spaces 34 and 36, which shall be reserved for the Department of General Services, and the surrounding surfaces around those spaces shall be under the control of the Committee on Joint Rules and administered by the Clerk of the House and the Clerk of the Senate. Any employee permanently assigned to any of these spaces shall be subject to the provisions of paragraph 1 of this item.

§ 4-6.05 SELECTION OF APPLICANTS FOR CLASSIFIED POSITIONS

It is the responsibility of state agency heads to ensure that all provisions outlined in Title 2.2, Chapter 29, Code of Virginia (the Virginia Personnel Act), and executive orders that govern the practice of selecting applicants for classified positions are strictly observed. The Governor's Secretaries shall ensure this provision is faithfully enforced.

§ 4-6.06 POSITIONS GOVERNED BY CHAPTERS 933 AND 943 OF THE 2006 ACTS OF ASSEMBLY

Except as provided in subsection A of § 23-38.114 of the Code of Virginia, § 4-6.00 shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly, with regard to their participating covered employees, as that term is defined in those two chapters, except to the extent a specific appropriation or language in this act addresses such an employee.

§ 4-7.00 STATEWIDE PLANS

§ 4-7.01 MANPOWER CONTROL PROGRAM

a.1. The term Position Level is defined as the number of full-time equivalent (FTE) salaried employees assigned to an agency in this act. Except as provided in § 4-7.01 b, the Position Level number stipulated in an agency's appropriation is the upper limit for agency employment which cannot be exceeded during the fiscal year without approval from the Director, Department of Planning and Budget for Executive Department agencies, approval from the Joint Committee on Rules for Legislative Department agencies or approval from the appropriate governing authority for the independent agencies.

2. Any approval granted under this subsection shall be reported in writing to the Chairmen of the House Appropriations Committee and the Senate Finance Committee, the Governor and the Directors of the Department of Planning and Budget and Department of Human Resource Management within ten days of such approval. Approvals for executive department agencies shall be based on threats to life, safety, health, or property, or compliance with judicial orders or federal mandates, to support federal grants or private donations, to administer a program for another agency or to address an immediate increase in workload or responsibility or when to delay approval of increased positions would result in a curtailment of services prior to the next legislative session. Any such position level increases pursuant to this provision may not be approved for more than one year.

b. The Position Levels stipulated for the individual agencies within the Department of Behavioral Health and Developmental Services and the Department of Corrections are for reference only and are subject to changes by the applicable Department, provided that such changes do not result in exceeding the Position Level for that department.

c.1. The Governor shall implement such policies and procedures as are necessary to ensure that the number of employees in the Executive Department, excluding institutions of higher education and the State Council of Higher Education, may be further restricted to the number required for efficient operation of those programs approved by the General Assembly. Such policies and procedures shall include periodic review and analysis of the staffing requirements of all Executive Department agencies by the Department of Planning and Budget with the object of eliminating through attrition positions not necessary for the efficient operation of programs.

2. The institutions of higher education and the State Council of Higher Education are hereby authorized to fill all positions authorized in this act. This provision shall be waived only upon the Governor's official declaration that a fiscal emergency exists requiring a change in the official estimate of general fund revenues available for appropriation.

d.1. Position Levels are for reference only and are not binding on agencies in the legislative department, independent agencies, the Executive Offices other than the offices of the Governor's Secretaries, and the judicial department.

2. Positions assigned to programs supported by internal service funds are for reference only and may fluctuate depending upon workload and funding availability.

3. Positions assigned to sponsored programs, auxiliary enterprises, continuing education, and teaching hospitals in the institutions of higher education are for reference only and may fluctuate depending upon workload and funding availability. Positions assigned to Item Detail 43012, State Health Services Technical Support and Administration, at Virginia Commonwealth University are for reference only and may fluctuate depending upon workload and funding availability.

4. Positions assigned to educational and general programs in the institutions of higher education are for reference only and may fluctuate depending upon workload and funding availability. However, total general fund positions filled by an institution of higher education may not exceed 105 percent of the general fund positions appropriated without prior approval from the Director, Department of Planning and Budget.

5. Positions assigned to Item Details 47001, Job Placement Services; 47002, Unemployment Insurance Services; 47003, Workforce Development Services; and 53402, Economic Information Services, at the Virginia Employment Commission are for reference only and may fluctuate depending upon workload and funding availability. Unless otherwise required by the funding source, after enactment of this act, any new positions hired using this provision shall not be subject to transitional severance benefit provisions of the Workforce Transition Act of 1995, Title 2.2, Chapter 32, Code of Virginia.

e. Prior to implementing any Executive Department hiring freeze, the Governor shall consider the needs of the Commonwealth in regards to the safe and efficient operation of state facilities and performance of essential services to include the exemption of certain positions assigned to agencies and institutions that provide services pertaining to public safety and public health from such hiring freezes.

f.1. Full-time, part-time, wage or contractual state employees assigned to the Governor's Cabinet Secretaries from agencies and institutions under their control for the purpose of carrying out temporary assignments or projects may not be so assigned for a period

exceeding 180 days in any calendar year. The permanent transfer of positions from an agency or institution to the Offices of the Secretaries, or the temporary assignment of agency or institutional employees to the Offices of the Secretaries for periods exceeding 180 days in any calendar year regardless of the separate or discrete nature of the projects, is prohibited without the prior approval of the General Assembly.

2. Not more than three positions in total, as described in subsection 1 hereof, may be assigned at any time to the Office of any Cabinet Secretary, unless specifically approved in writing by the Governor. The Governor shall notify the Chairmen of the House Appropriations and Senate Finance Committees in the case of any such approvals.

g. All state employees, including those in the legislative, judicial, and executive branches and the independent agencies of the Commonwealth, who are not eligible for benefits under a health care plan established and administered by the Department of Human Resource Management (DHRM) pursuant to Va. Code § 2.2-2818, or by an agency administering its own health care plan, may not work more than 29 hours per week on average over a twelve month period. Adjunct faculty at institutions of higher education may not work more than 29 hours per week on average over a twelve month period, including classroom or other instructional time plus additional hours determined by the institution as necessary to perform the adjunct faculty's duties. DHRM shall provide relevant program requirements to agencies and employees, including, but not limited to, information on wage, variable and seasonal employees. All state agencies/employers in all branches of government shall provide information requested by DHRM concerning hours worked by employees as needed to comply with the Affordable Care Act (the “Act”) and this provision. State agencies/employers are accountable for compliance with this provision, and are responsible for any costs associated with maintaining compliance with it and for any costs or penalties associated with any violations of the Act or regulations thereunder and any such costs shall be borne by the agency from existing appropriations. The provisions of this paragraph shall not apply to employees of state teaching hospitals that have their own health insurance plan; however, the state teaching hospitals are accountable for compliance with, and are responsible for any costs associated with maintaining compliance with the Act and for any costs or penalties associated with any violations of the Act or regulations thereunder and any such costs shall be borne by the agency from existing appropriations. Subject to approval of the Governor, DHRM shall modify this provision consistent with any updates or changes to federal law and regulations.

§ 4-8.00 REPORTING REQUIREMENTS

§ 4-8.01 GOVERNOR

a. General:

1. The Governor shall submit the information specified in this section to the Chairmen of the House Appropriations and Senate Finance Committees on a monthly basis, or at such intervals as may be directed by said Chairmen, or as specified elsewhere in this act. The information on agency operating plans and expenditures as well as agency budget requests shall be submitted in such form, and by such method, including electronically, as may be mutually agreed upon. Such information shall be preserved for public inspection in the Department of Planning and Budget.

2. The Governor shall make available annually to the Chairmen of the Senate Finance, House Finance, and House Appropriations Committees a report concerning the receipt of any nongeneral funds above the amount(s) specifically appropriated, their sources, and the amounts for each agency affected.

3. a) It is the intent of the General Assembly that reporting requirements affecting state institutions of higher education be reduced or consolidated where appropriate. State institutions of higher education, working with the Secretary of Education and Workforce, Secretary of Finance, and the Director, Department of Planning and Budget, shall continue to identify specific reporting requirements that the Governor may consider suspending.

b) Reporting generally should be limited to instances where (1) there is a compelling state interest for state agencies to collect, use, and maintain the information collected; (2) substantial risk to the public welfare or safety would result from failing to collect the information; or (3) the information collected is central to an essential state process mandated by the Code of Virginia.

c) Upon the effective date of this act, and until its expiration date, the following reporting requirements are hereby suspended or modified as specified below:

Agency	Report Title of Descriptor	Authority	Action
Department of Accounts	Intercollegiate Athletics Receipts & Disbursements	Code of Virginia § 23-1.1.	Suspend reporting.
Department of Accounts	Prompt Pay Summary Report	Agency Directive	Change reporting from monthly to quarterly.
Department of General Services	Usage of State-Assigned and State-Owned Vehicles Report	Agency Directive -- Executive Order 89 (2005)	Suspend reporting.

Department of General Services	Gas Report/Repair Charge	Agency Directive--Executive Order 89 (2005)	Suspend reporting.
Department of Human Resource Management	Report of Personnel Development Service	Agency Directive	Suspend reporting.
Department of Human Resource Management	Human Capital Report (Full-Time, Part-Time, Temporary, Contractual employees funded by the Commonwealth)	Code of Virginia § 2.2-1201. A. 14.	Change reporting from annually to monthly.
Department of Human Resource Management State Employee Workers' Compensation Program	Work-related injuries and illnesses report -- goals, strategies, and results	Agency Directive -- Executive Order 94 (2005)	Suspend reporting.
Governor's Office	Small, Women-and Minority-owned Businesses (SWaM)	Executive Directive	Change reporting from weekly to monthly.
Secretary of Commerce and Trade	Recruitment of National and Regional Conferences Report	Agency Directive -- Executive Order 14 (2006)	Suspend reporting.

d) The Department of Planning and Budget (DPB) and the State Council of Higher Education for Virginia (SCHEV) shall work jointly to attempt to consolidate various reporting requirements pertaining to the estimates and projections of nongeneral fund revenues in institutions of higher education. The purpose of this effort shall be aimed at developing a common form for use in collecting nongeneral fund data for DPB's six-year nongeneral fund revenue estimate submission and SCHEV's annual survey of nongeneral fund revenue from institutions of higher education.

b. Operating Appropriations Reports:

1. Status of Adjustments to Appropriations. Such information must include increases and decreases of appropriations or allotments, transfers and additional revenues. A report of appropriation transfers from one agency to another made pursuant to § 4-1.03 of this act shall be made available via electronic means to the Chairmen of the House Appropriations and Senate Finance Committees, and the public by the tenth day of the month following that in which such transfer occurs, unless otherwise specified in § 4-1.03.

2. Status of each sum sufficient appropriation. The information must include the amount of expenditures for the period just completed and the revised estimates of expenditures for the remaining period of the current biennium, as well as an explanation of differences between the amount of the actual appropriation and actual and/or projected appropriations for each year of the current biennium.

3. Status of Economic Contingency Appropriation. The information must include actions taken related to the appropriation for economic contingency.

4. Status of Withholding Appropriations. The information must include amounts withheld and the agencies affected.

5. Status of reductions occurring in general and nongeneral fund revenues in relation to appropriations.

6. Status of approvals of deficits.

c. Employment Reports:

1. Status of changes in positions and employment of state agencies affected. The information must include the number of positions and the agencies affected.

2. Status of the employment by the Attorney General of special counsel in certain highway proceedings brought pursuant to Chapter 1 of Title 33.1, Code of Virginia, on behalf of the Commonwealth Transportation Commissioner, as authorized by § 2.2-510, Code of Virginia. This report shall include fees for special counsel for the respective county or city for which the expenditure is made and shall be submitted within 60 days of the close of the fiscal year (see § 4-5.02 a.3).

3. Changes in the level of compensation authorized pursuant to § 4-6.01 k, Employee Compensation. Such report shall include a list of the positions changed, the number of employees affected, the source and amount of funds, and the nature of the emergency.

4. Pursuant to requirements of § 2.2-203.1, Code of Virginia, the Secretary of Administration, in cooperation with the Secretary of Technology, shall provide a report describing the Commonwealth's telecommuting policies, which state agencies and localities have

adopted telecommuting policies, the number of state employees who telecommute, the frequency with which state employees telecommute by locality, and the efficacy of telecommuting policies in accomplishing the provision of state services and completing state functions. This report shall be provided to the Chairmen of the House Committee on Appropriations, the House Committee on Science and Technology, the Senate Committee on Finance, and the Senate Committee on General Laws and Technology each year by October 1.

d. Capital Appropriations Reports:

1. Status of progress of capital projects on an annual basis (see § 4-4.01 o).

2. Notice of all capital projects authorized under § 4-4.01 m (see § 4-4.01 m. 1. b) 4)).

e. Utilization of State Owned and Leased Real Property:

1. By November 15 of each year, the Department of General Services (DGS) shall consolidate the reporting requirements of § 2.2-1131.1 and § 2.2-1153 of the Code of Virginia into a single report eliminating the individual reports required by § 2.2-1131.1 and § 2.2-1153 of the Code of Virginia. This report shall be submitted to the Governor and the General Assembly and include (i) information on the implementation and effectiveness of the program established pursuant to subsection A of § 2.2-1131.1, (ii) a listing of real property leases that are in effect for the current year, the agency executing the lease, the amount of space leased, the population of each leased facility, and the annual cost of the lease; and, (iii) a report on DGS's findings and recommendations under the provisions of § 2.2-1153, and recommendations for any actions that may be required by the Governor and the General Assembly to identify and dispose of property not being efficiently and effectively utilized.

2. By October 1 of each year, each agency that controls leased property, where such leased property is not under the DGS lease administration program, shall provide a report on each leased facility or portion thereof to DGS in a manner and form prescribed by DGS. Specific data included in the report shall identify at a minimum, the number of square feet occupied, the number of employees and contractors working in the leased space, if applicable, and the cost of the lease.

f. Services Reports:

Status of any exemptions by the State Council of Higher Education to policy which prohibits use of funds in this act for the operation of any academic program by any state institution of higher education, unless approved by the Council and included in the Governor's recommended budget, or approved by the General Assembly (see § 4-5.05 b 2).

g. Standard State Agency Abbreviations:

The Department of Planning and Budget shall be responsible for maintaining a list of standard abbreviations of the names of state agencies. The Department shall make a listing of agency standard abbreviations available via electronic means on a continuous basis to the Chairmen of the House Appropriations and Senate Finance Committees, the State Comptroller, the Director, Department of Human Resource Management and the Chief Information Officer, Virginia Information Technologies Agency, and the public.

h. Educational and General Program Nongeneral Fund Administrative Appropriations Approved by the Department of Planning and Budget:

The Secretary of Finance and Secretary of Education, in collaboration with the Director, Department of Planning and Budget, shall report in December and June of each year to the Chairmen of the House Appropriations and Senate Finance Committees on adjustments made to higher education operating funds in the Educational and General Programs (10000) items for each public college and university contained in this budget. The report shall include actual or projected adjustments which increase nongeneral funds or actual or projected adjustments that transfer nongeneral funds to other items within the institution. The report shall provide the justification for the increase or transfer and the relative impact on student groups.

§ 4-8.02 STATE AGENCIES

a. As received, all state agencies shall forward copies of each federal audit performed on agency or institution programs or activities to the Auditor of Public Accounts and to the State Comptroller. Upon request, all state agencies shall provide copies of all internal audit reports and access to all working papers prepared by such auditors to the Auditor of Public Accounts and to the State Comptroller.

I VETO THIS ITEM. /s/ Terence R. McAuliffe (6/21/14) (Vetoed item is enclosed in brackets.)

[b. Annually: Within five calendar days after state agencies submit their budget requests, amendment briefs, or requests for amendments to the Department of Planning and Budget, the Director, Department of Planning and Budget shall submit, electronically if available, copies to the Chairmen of the Senate Finance and House Appropriations Committees, including all attachments that were submitted separately as part of these budget requests, amendment briefs, or requests for amendments and are not fully incorporated into the electronic submission by the Director, Department of Planning and Budget. **]**

c. By September 1 of each year, state agencies receiving any asset as the result of a law-enforcement seizure and subsequent forfeiture by either a state or federal court, shall submit a report identifying all such assets received during the prior fiscal year and their estimated net worth, to the Chairmen of the House Appropriations and Senate Finance Committees.

§ 4-9.00 HIGHER EDUCATION RESTRUCTURING

§ 4-9.01 ASSESSMENT OF INSTITUTIONAL PERFORMANCE

Consistent with § 23-9.6:1.01, Code of Virginia, the following education-related and financial and administrative management measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional performance. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no later than October 1 of each even-numbered year. Institutional performance on measures set forth in paragraph D of this section shall be evaluated year-to-date by the Secretaries of Finance, Administration, and Technology as appropriate, and communicated to the State Council of Higher Education before October 1 of each even-numbered year. Financial benefits provided to each institution in accordance with § 2.2-5005 will be evaluated in light of that institution's performance.

In general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, but it is understood that there can be circumstances beyond an institution's control that may prevent achieving one or more performance measures. The Council shall consider, in consultation with each institution, such factors in its review: (1) institutions meeting all performance measures will be certified by the Council and recommended to receive the financial benefits, (2) institutions that do not meet all performance measures will be evaluated by the Council and the Council may take one or more of the following actions: (a) request the institution provide a remediation plan and recommend that the Governor withhold release of financial benefits until Council review of the remediation plan or (b) recommend that the Governor withhold all or part of financial benefits.

Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related measures. The State Council shall likewise have the authority to exempt institutions from certification on education-related measures that the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of performance.

The State Council may develop, adopt, and publish standards for granting exemptions and ongoing modifications to the certification process.

a. BIENNIAL ASSESSMENTS

1. Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.

2. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.

3. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H (Science, Technology, Engineering, Mathematics, and Health professions) associate and bachelor degree awards.

4. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent students.

5. Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented populations.

6. Maintain or increase the number of in-state two-year transfers to four-year institutions.

b. Elementary and Secondary Education

1. The Virginia Department of Education shall share data on teachers, including identifying information, with the State Council of Higher Education for Virginia in order to evaluate the efficacy of approved programs of teacher education, the production and retention of teachers, and the exiting of teachers from the teaching profession.

2. a) The Virginia Department of Education and the State Council of Higher Education for Virginia shall share personally identifiable information from education records in order to evaluate and study student preparation for and enrollment and performance at state institutions of higher education in order to improve educational policy and instruction in the Commonwealth. However, such study shall be conducted in such a manner as to not permit the personal identification of students by persons other than representatives of the Department of Education or the State Council for Higher Education for Virginia, and such shared information shall be destroyed when no longer needed for purposes of the study.

b) Notwithstanding § 2.2-3800 of the Code of Virginia, the Virginia Department of Education, State Council of Higher Education for Virginia, Virginia Community College System, and the Virginia Employment Commission may collect, use, share, and maintain de-identified student data to improve student and program performance including those for career readiness.

3. Institutions of higher education shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the purpose of studying student preparation as it relates to the content and rigor of the Standards of Learning. Furthermore, the superintendent of each school division shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the same purpose. All information provided to the Superintendent or his designee for this purpose shall be used solely for the purpose of evaluating the Standards of Learning and shall not be redisclosed, except as provided under federal law. All information shall be destroyed when no longer needed for the purposes of studying the content and rigor of the Standards of Learning.

c. SIX-YEAR PLAN

Institution prepares six-year financial plan consistent with § 23-9.2:3.02.

d. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly.

1. As specified in § 2.2-5004, Code of Virginia, institution takes all appropriate actions to meet the following financial and administrative standards:

a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;

b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

c) Substantial compliance with all financial reporting standards approved by the State Comptroller;

d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and

e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

2. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be prudently issued within a specified period.

3. The institution will achieve the classified staff turnover rate goal established by the institution; however, a variance of 15 percent from the established goal will be acceptable.

4. The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable.

The institution will make no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet procurement system (eVA) from vendor locations registered in eVA.

5. The institution will complete capital projects (with an individual cost of over $1,000,000) within the budget originally approved by the institution's governing board for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun.

6. The institution will complete major information technology projects (with an individual cost of over $1,000,000) within the budgets and schedules originally approved by the institution's governing board. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay.

e. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly. They shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act. However, the Governor may supplement or replace those administrative performance measures with the administrative performance measures listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures

shall be used for the assessment of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and those governed under Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly.

1. Financial

a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;

b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

c) Substantial compliance with all financial reporting standards approved by the State Comptroller;

d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and

e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

2. Debt Management

a) The institution shall maintain a bond rating of AA- or better;

b) The institution achieves a three-year average rate of return at least equal to the imoney.net money market index fund; and

c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt management policy.

3. Human Resources

a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for state classified employees within a variance of 15 percent; and

b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.

4. Procurement

a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and

b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

5. Capital Outlay

a) The institution will complete capital projects (with an individual cost of over $1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;

b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and

c) The institution shall pay competitive rates for leased office space – the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable proximity to the institution's campus.

6. Information Technology

a) The institution will complete major information technology projects (with an individual cost of over $1,000,000) on time and on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and

b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The

institution will have no significant audit deficiencies unresolved beyond one year.

f. REPORTING

The Director, Department of Planning and Budget, with cooperation from the Comptroller and institutions of higher education governed under Management Agreements, shall develop uniform reporting requirements and formats for revenue and expenditure data.

g. EXEMPTION

The requirements of this section shall not be in effect if they conflict with § 23-9.6:1.01.D. of Chapters 828 and 869 of the Acts of Assembly of 2011.

§ 4-9.02 LEVEL II AUTHORITY

a. Notwithstanding the provisions of § 5 of Chapter 824 and 829 of the 2008 Acts of Assembly, institutions of higher education that have met the eligibility criteria for additional operational and administrative authority set forth in Chapters 824 and 829 of the 2008 Acts of Assembly shall be allowed to enter into separate negotiations for additional operational authority for a third and separate functional area listed in Chapter 824 and 829 of the 2008 Acts of Assembly, provided they have:

1. successfully completed at least three years of effectiveness and efficiencies operating under such additional authority granted by an original memorandum of understanding;

2. successfully renewed an additional memoranda of understanding for a five year term for each of the original two areas.

The institutions shall meet all criteria and follow policies for negotiating and establishing a memorandum of understanding with the Commonwealth of Virginia as provided in § 2.0 (Information Technology), § 3.0 (Procurement), and § 4.0 (Capital Outlay) of Chapter 824 and 829 of the 2008 Acts of Assembly.

b. As part of the memorandum of understanding, each institution shall be required to adopt at least one new education-related measure for the new area of operational authority. Each education-related measure and its respective target shall be developed in consultation with the Secretary of Finance, Secretary of Education, the appropriate Cabinet Secretary, and the State Council of Higher Education for Virginia. Each education-related measure and its respective target must be approved by the State Council of Higher Education for Virginia and shall become part of the certification required by § 23-9.6:1.01.

§ 4-9.03 LEVEL III AUTHORITY

The Management Agreements negotiated by the institutions contained in Chapters 675 and 685 of the 2009 Acts of Assembly shall continue in effect unless the Governor, the General Assembly, or the institutions determine that the Management Agreements need to be renegotiated or revised.

§ 4-9.04 IMPLEMENT JLARC RECOMMENDATIONS

a. The Boards of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall:

1. require their institutions to clearly list the amount of the athletic fee on their website's tuition and fees information page. The page should include a link to the State Council of Higher Education for Virginia's tuition and fee information. The boards should consider requiring institutions to list the major components of all mandatory fees, including the portion attributable to athletics, on a separate page attached to student invoices;

2. assess the feasibility and impact of raising additional revenue through campus recreation and fitness enterprises to reduce reliance on mandatory student fees. The assessments should address the feasibility and impact of raising additional revenue through charging for specialized programs and services, expanding membership, and/or charging all users of recreation facilities;

3. direct staff to perform a comprehensive review of the institution's organizational structure, including an analysis of spans of control and a review of staff activities and workload, and identify opportunities to streamline the organizational structure. Boards should further direct staff to implement the recommendations of the review to streamline their organizational structures where possible;

4. require periodic reports on average and median spans of control and the number of supervisors with six or fewer direct reports;

5. direct staff to revise human resource policies to eliminate unnecessary supervisory positions by developing standards that establish and promote broader spans of control. The new policies and standards should (i) set an overall target span of control for the institution, (ii) set a minimum number of direct reports per supervisor, with guidelines for exceptions, (iii) define the circumstances that necessitate the use of a supervisory position, (iv) prohibit the establishment of supervisory positions for the purpose of recruiting or retaining employees, and (v) establish a periodic review of departments where spans of control are

unusually narrow; and,

6. direct institution staff to set and enforce policies to maximize standardization of purchases of commonly procured goods, including use of institution-wide contracts;

7. consider directing institution staff to provide an annual report on all institutional purchases, including small purchases, that are exceptions to the institutional policies for standardizing purchases.

b. The State Council on Higher Education for Virginia, to the extent practicable, shall:

1. convene a working group of institution financial officers, with input from the Department of Accounts, the Department of Planning and Budget, and the Auditor of Public Accounts, to create a standard way of calculating and publishing mandatory non-E&G fees, including for intercollegiate athletics;

2. update the state's Chart of Accounts for higher education in order to improve comparability and transparency of mandatory non-E&G fees, with input from the Department of Accounts, the Department of Planning and Budget, the Auditor of Public Accounts, and institutional staff. This process should be coordinated with the standardization of tuition and fee reporting;

3. convene a working group of institutional staff to develop instructional and research space guidelines that adequately measure current use of space and plans for future use of space at Virginia's public higher education institutions;

4. coordinate a committee of institutional representatives, such as the previously authorized Learning Technology Advisory Committee. In addition to the objectives set out in the Appropriation Act for the Learning Technology Advisory Committee, the committee should identify instructional technology initiatives and best practices for directly or indirectly lowering institutions' instructional expenditures per student while maintaining or enhancing student learning.

c. Notwithstanding the provisions of § 23-9.14:1, the State Council of Higher Education for Virginia shall annually train boards of visitors members on the types of information members should request from institutions to inform decision making, such as performance measures, benchmarking data, the impact of financial decisions on student costs, and past and projected cost trends. Boards of Visitors members serving on finance and facilities subcommittees should, at a minimum, participate in the training within their first year of membership on the subcommittee. SCHEV should obtain assistance in developing or delivering the training from relevant agencies such as the Department of General Services and past or present finance officers at Virginia's public four-year institutions, as appropriate.

d. The Department of Planning and Budget shall revise the formula used to make allocation recommendations for the state's maintenance reserve funding to account for higher maintenance needs resulting from poor facility condition, aging of facilities, and differences in facility use. Beginning with fiscal year 2016, the Department of Planning and Budget shall submit these recommendations to the Governor and General Assembly no later than November 1 of each year.

e. The Six-Year Capital Outlay Plan Advisory Committee, the Department of Planning and Budget, and others as appropriate shall use the results of the prioritization process established by the State Council of Higher Education for Virginia in determining which capital projects should receive funding.

f. Beginning with fiscal year 2016, the Auditor of Public Accounts shall include in its audit plan for each public institution of higher education a review of progress in implementing the JLARC recommendations contained in paragraph § 4-9.04 a.

§ 4-11.00 STATEMENT OF FINANCIAL CONDITION

Each agency head handling any state funds shall, at least once each year, upon request of the Auditor of Public Accounts, make a detailed statement, under oath, of the financial condition of his office as of the date of such call, to the Auditor of Public Accounts, and upon such forms as shall be prescribed by the Auditor of Public Accounts.

§ 4-12.00 SEVERABILITY

If any part, section, subsection, paragraph, sentence, clause, phrase, or item of this act or the application thereof to any person or circumstance is for any reason declared unconstitutional, such decisions shall not affect the validity of the remaining portions of this act which shall remain in force as if such act had been passed with the unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, item or such application thereof eliminated; and the General Assembly hereby declares that it would have passed this act if such unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, or item had not been included herein, or if such application had not been made.

§ 4-13.00 CONFLICT WITH OTHER LAWS

Notwithstanding any other provision of law, and until June 30, 2016, the provisions of this act shall prevail over any conflicting provision of any other law, without regard to whether such other law is enacted before or after this act; however, a conflicting provision of another law enacted after this act shall prevail over a conflicting provision of this act if the General Assembly has

clearly evidenced its intent that the conflicting provision of such other law shall prevail, which intent shall be evident only if such other law (i) identifies the specific provision(s) of this act over which the conflicting provision of such other law is intended to prevail and (ii) specifically states that the terms of this section are not applicable with respect to the conflict between the provision(s) of this act and the provision of such other law.

§ 4-14.00 EFFECTIVE DATE

This act is effective on its passage as provided in §1-214, Code of Virginia.

ADDITIONAL ENACTMENTS

3. No provision of this act shall result in the expiration of any provision of: (i) Chapter 896 of the Acts of Assembly of 2007 pursuant to the 22nd enactment of that chapter or (ii) Chapter 766 of the Acts of Assembly of 2013 pursuant to the 14th enactment of that chapter.

4. That (i) for taxable years including those implicated by § 3-5.10 of this Act but notwithstanding any other provision of that section and in addition to the exemptions provided pursuant to §§ 58.1-402(B)(8)(a)(1) and (2) of the Code of Virginia, any applicable addition that might otherwise be required pursuant to § 58.1-402(B)(8)(a) of the Code shall not be required if (a) during each of the five taxable years commencing after July 1, 2004, and also during the then current taxable year, the related member or members conducted substantial business operations relating to protecting the assets of the related member or members, pursuant to which, in each such taxable year, the related member or members paid payroll and consulting expenses in excess of $600,000 and employed at least three full-time equivalent employees whose sole responsibility was to maintain, manage, defend or otherwise be responsible for operations or administration relating to protecting the assets of the related member, (b) during each of the five taxable years commencing after July 1, 2004, and also during the then current taxable year, the corporation and its wholly owned subsidiaries collectively employed more than 25,000 employees, and (c) the corporation is a fully integrated agriculture production manufacturer such that it or its wholly owned subsidiary produces a product that is related to the core business of such corporation, processes such product, and sells the product both at wholesale and retail; (ii) nothing in this enactment , or in § 3-5.10, shall be construed to open the statute of limitations of an otherwise closed taxable year; and (iii) each of the provisions of this enactment is integral to its purpose and, therefore, shall not be deemed severable from the remainder of the enactment.

5. That the provisions of the first and second enactment of this act shall expire at midnight on June 30, 2016. The provisions of the third and fourth enactments of this act shall have no expiration date.

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