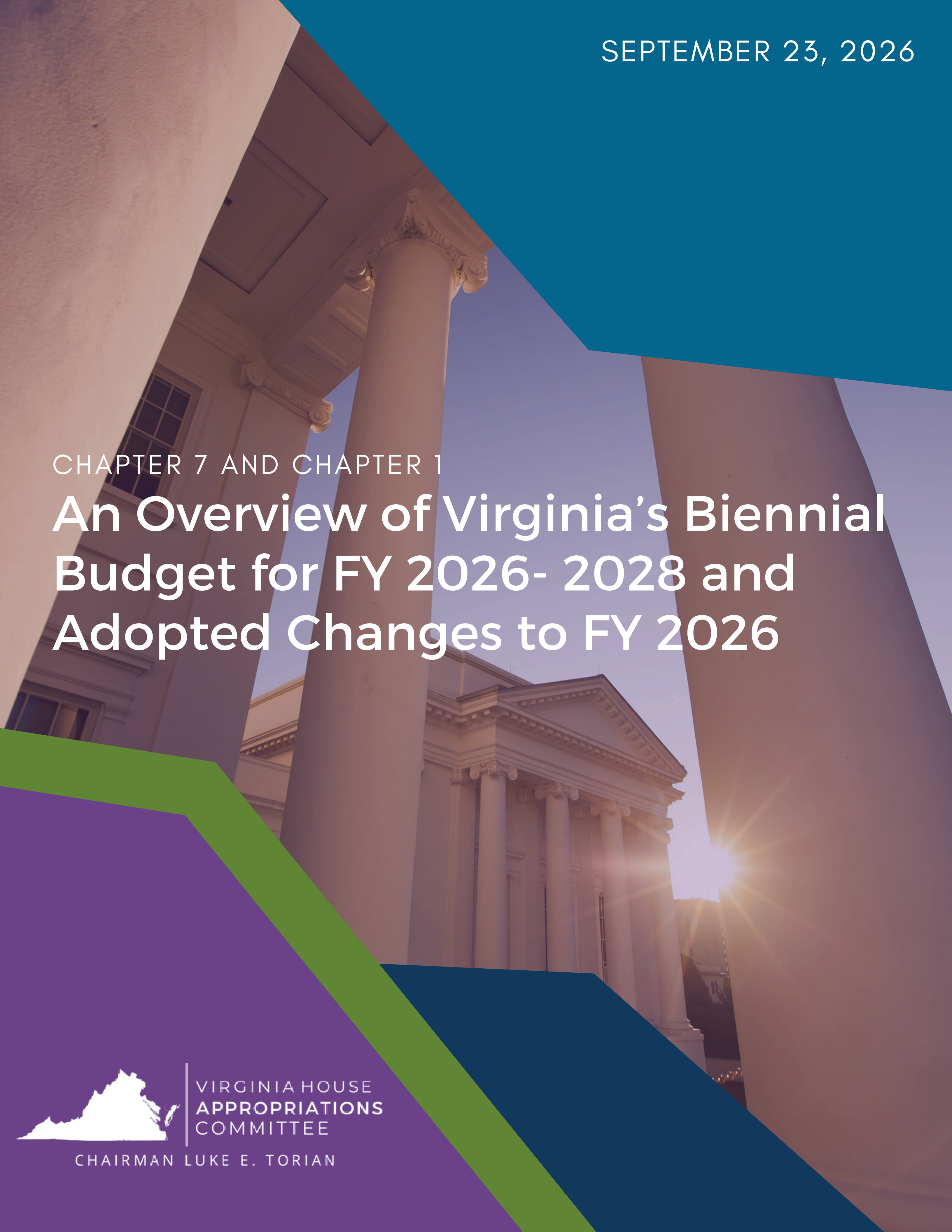

SEPTEMBER 23, 2026

CHAPTER 7 AND CHAPTER 1

An Overview of Virginia's Biennial Budget for FY 2026- 2028 and Adopted Changes to FY 2026

VIRGINIA HOUSE APPROPRIATIONS COMMITTEE

CHAIRMAN LUKE E. TORIAN

INTRODUCTION

In even year legislative sessions, the General Assembly develops and approves a new 2-year budget for state government operations and capital outlay projects. This document, *Overview of Virginia's Budget for FY 2026 – FY 2028,* summarizes the final budget as adopted by the General Assembly for the next two years. It also summarizes adjustments made by the General Assembly for FY 2026 in the "Caboose Bill", which concluded on July 30, 2026.

The actions adopted through Chapter 7, 2026 Acts of Assembly are summarized prior to an Executive Summary of revenue and spending actions adopted by the General Assembly for the FY 2026 – FY 2028 biennium. Following the Executive Summary, details on resources, spending, and savings actions are discussed by budget area in individual Chapters.

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ACTIONS IN THE CABOOSE BILL

Major Revenue Actions

The adopted amendments to HB 29 include $2,935.7 million in general fund resources above those assumed in Chapter 725, the adopted budget for the 2024-26 biennium budget. This increase includes (1) a net increase in available balances of $1,749.5 million; (2) a $822.4 million increase in the general fund revenue forecast in FY 2026; and (3) an increase in transfers to the general fund of $363.7 million.

General Fund Resources Available for Appropriation FY 2026 ($ in millions)			
	Chapter 725	**Chapter 7**	**Difference**
Beginning Balance	$0	$12,488.0	$12,488.0
Additions to the Balance	19,500.0	(10,719.0)	(10,738.5)
Official GF Revenue Estimate	31,360.4	32,383.7	822.4
Transfers	1,572.0	1,935.7	363.7
GF Resources Available for Appropriation	**$32,952.0**	**$36,088.5**	**$3,136.5**
Unappropriated Balance (Chapter 721)			$47.0
Chapter 7 Resources Available for Appropriation			$3,136.5
Chapter 7 Net Spending Amendments			$867.1
Beginning Balance for the 2026-28 Biennium			**$2,316.4**

Available Balances

The $1,749.5 million increase in available net balances is driven by (1) the $572.0 million general fund revenue surplus in FY 2025 above the forecast in Chapter 725, (2) $896.2 million in additions based on planned reversions and vetoes within Chapter 725, and (3) $257.5 million in discretionary reversions from unspent agency's appropriations.

Changes in General Fund Revenues

The FY 2025 general fund revenues exceeded the forecast from Chapter 725 by $572.0 million resulting in a higher revenue base heading into FY 2026. The higher base along with strong revenue growth through the first 5 months of FY 2026 result in a $915.1 million increase in the base forecast for FY 2026.

In addition to the increase in the base forecast, the revenue projections included increases in revenues tied to policy adjustments adopted in Part 4 of Chapter 7. The 13th enactment of Chapter 7 adopted numerous tax policy adjustments, most of which were to conform to recent federal tax policy actions, which resulted in a projected increase in general fund revenues of $99.3 million in fiscal year 2026, and $273.5 million over the 2026-28 biennium

Impact of Federal Tax Policy Provisions in Chapter 7 ($ in millions)	
Provisions	**FY 2026 Impact**
Reduce the disallowed business interest deduction, pursuant to § 163(j) of the Internal Revenue Code, from 50% to 20%	$65.3
Authorize new Opportunity Zones Program allowing for the deferral and exclusion of gains from investments in economically distressed areas	10.9
Limit Deductions on Corporate Charitable Contributions to only those donations above 1% of the corporations Federal Tax Information (FTI)	4.3
Limit Deductions on Individual Charitable Contributions to only those donations above 0.5% of the individuals Adjusted Gross Income (AGI)	15.8
Other Miscellaneous Provisions	3.0
Total	**$99.3**

An additional policy adjustment reflects an increase in revenue of $8.9 million from the sale of property related to a lien previously held by the Virginia Resources Authority.

The FY 2026 forecast included in Chapter 7 assumed 3.7% revenue growth after adjustments. The calculated actual revenue growth, based on the preliminary year end close, was 6.7%.

Revenue Source	Forecast	Estimated % Growth
Withholding	$18,450.3	5.1%
Nonwithholding	7,681.6	2.2%
Refunds	(3,223.7)	1.1%
Net Individual	22,908.2	4.6%
Corporate	1,974.3	5.1%
Sales	4,967.6	3.2%
Insurance	536.9	-0.8%
Wills (Recordation)	474.1	0.6%
All Other Sources	1,522.6	-7.0%
Total GF Revenues	**$32,383.7**	**3.7%**

Changes to Transfers

Chapter 7 assumed an increase in transfers of $363.7 million in FY 2026 based on the combined balances in the Revenue Stabilization Fund and the Revenue Reserve Fund being above the 15% cap. Chapter 725 assumed a transfer from the revenue reserve of $675.7 million in fiscal year 2026 to reduce the combined balances down to the15% cap. Chapter 7 included a mandatory deposit of $312.3 million into the Revenue Reserve Fund and then assumes $363.7 million in additional transfers from the fund to offset the new mandatory deposit as well as the estimated interest earnings from the reserves which if not transferred would result in the balances exceeding the 15% cap.

Major Spending and Savings Actions

The General Assembly adopted only a few significant spending items for Fiscal Year 2026 including an additional $410.0 million required in FY 2026 to meet the Medicaid forecast, $312.3 million for deposit into the Revenue Reserve fund (offset by a $363.7 million transfer from the fund based on the statutory cap), and $235.1 million to provide a $1,500 bonus for state employees and teachers, and a 2% bonus for state supported local employees. Details on the spending and savings actions included in the final state budget for the FY 2024 – FY 2026 biennium are summarized below.

Administration

Department of Elections

- **Costs for April 21, 2026, Special Election.** Provided $5.0 million to the Department of Elections to cover costs, such as voter education, and in-person absentee voting for the Special Election held on April 21, 2026, related to redistricting.

Commerce and Trade

Virginia Economic Development Partnership

- **Adjustments to Economic Development Incentives.** Shifted $1.4 million in FY 2026 to FY 2027 for the Wells Fargo economic development project in Roanoke, Virginia to better correspond with the anticipated payment schedules for the project. It also captured $400,000 in savings from the Virginia Investment Partnership Program to reflect a canceled project, and $1.0 million provided for Commonwealth Fusion Systems, which received support through the Virginia Clean Energy Innovation Bank.
- **Inland Port in Washington County.** Reverted $9.8 million of unused funds included in FY 2025 for design and site readiness work related to the construction of a new inland port in Washington County, Virginia.
- **Enterprise Zone Grant Program.** Reverted $9.0 million of unobligated funds from this economic development incentive program.

Virginia Innovation Partnership Authority

- **Manufacture Opioid Overdose Reversal Transfer.** Transferred $16.0 million from the Department of Health to VIPA from opioid abatement funds to support manufacturing of a low-cost opioid overdose reversal agent. The budget language directs funds to research and development expenses, and equipment purchases.

Early Childhood and K-12 Education

The amendments reflect net reductions to Direct Aid funding of $43.2 million. This includes a net $207.8 million GF in savings primarily from lower enrollment projections, offset by a $48.3 million increase in the lottery forecast and $117.5 million GF in new spending for a proposed bonus for state-recognized instructional and support positions. Major contributing factors include:

Technical Updates

- **Enrollment Projections.** The Average Daily Membership (ADM) forecast was updated for actual Fall 2025 school enrollment counts. This reforecast anticipates 17,186, or 1.4% fewer, students in FY 2026 than projected in Chapter 725 resulting in $111.8 million of GF savings.
- **Lottery Revenues.** The lottery proceeds forecast increased by $48.3 million in FY 2025, reducing general funds needed for public education by a like amount.
- **Redirect Early Childhood Funds.** Redirects $5.5 million GF from unutilized Virginia Preschool Initiative slots to reduce the waitlist for the Child Care Subsidy Program.

Policy Actions

- **State Share of a $1,500 Bonus for School Personnel.** Provides $117.5 million GF in FY 2026 for the state's share of a one-time $1,500 bonus per-state recognized instructional and support positions. School divisions may opt to provide these bonuses in either fiscal year 2026 or 2027.
- **Redirect Literary Fund.** Reduces the maximum amount of Literary Fund school construction loans by $172.0 million, from $250.0 million to $78.0 million over the biennium, reflecting the actual amount of loans provided to-date. Additional fund balances resulting from this action are redirected for school construction assistance grants for the 2026-2028 biennium.

Finance

DOA Transfer Payments

- **Mandatory Revenue Reserve Deposit.** Makes the required deposit to the Revenue Reserve Fund of $312.3 million based on the FY 2025 year-end general fund revenue surplus. An offsetting transfer action moves $323.4 million from the Revenue Reserve Fund to the general fund based on the fund balances exceeding the Code-mandated 15% cap.

Treasury Board

- **Adjust Debt Service.** Reduces GF by $18.7 million the second year to reflect updated debt service estimates owed on bond issuances.

Health and Human Resources

Children's Services Act

- **Fund Mandatory Caseload and Cost Increases in CSA Forecast.** Includes an additional $20.7 million GF in FY 2026 to fund the projected costs of services provided through the Children's Services Act, bringing the FY 2026 total to $427.5 million GF. While caseload only increased by 1% in FY 2025, overall expenditures increased by 11% as the cost per child receiving services increased by 10%. Expenditures are expected to continue to increase by 8.1% in FY 2027 and 7.6% in FY 2028. Private day and community-based services are the largest drivers in the growth of overall CSA cost.

Department of Health

- **Transfer Opioid Overdose Reversal Agent Program to the Virginia Innovation Partnership Authority (VIPA).** Transfers Opioid Overdose Reversal Agent Program from the Department of Health to VIPA along with funding of $16.0 million from the Commonwealth Opioid Abatement and Remediation Fund. The goal of the program is to provide a long-term, sustainable supply of opioid overdose reversal agent to help combat Virginia's opioid epidemic, provide pricing stability and increase access to this medication.

Department of Medical Assistance Services (DMAS)

- **Medicaid Utilization and Inflation.** The adopted budget includes an increase of $410.3 million GF and $758.1 million NGF in FY 2026 to fund the forecasted costs of utilization and inflation in the Medicaid program. Total expenditures for the base Medicaid program and Medicaid expansion are expected to grow by 7.9% in FY 2027 and 6.6% in FY 2028. The growth rates reflect a combination of factors, including: increases in managed care rates driven by enrollment growth of individuals with higher medical needs and higher utilization of services, particularly high cost services; fee-for-service inpatient hospital expenses; hospital expenses for graduate medical education, indirect medical education and disproportionate share payments; and, one-time expenses for FY 2025 payments carried forward to FY 2026 for Medicare premiums, teaching hospital year-end payment settlements and non-emergency transportation.

- **Virginia Health Care Fund (VHCF).** Includes $4.6 million GF to account for the latest revenue estimates in the Fund. Revenue from tobacco taxes and pharmacy rebates are projected to be lower than anticipated, thus requiring additional general fund to cover Medicaid program costs. Revenue in the VHCF is used as state match for the Medicaid program, consequently, decreases in revenue from nongeneral fund sources require additional general fund dollars.
- **Medicaid Children's Health Insurance Program (M-CHIP) Utilization and Inflation.** Reflects a decrease of $8.9 million GF and $9.9 million NGF in FY 2026 for the M-CHIP program. While program costs are increasing due to managed care rate increases that went into effect on July 1, 2026, the number of children projected to enroll in the program is declining. Enrollment rates for FY 2026 dropped by 4.6% in the first 6 months. It is possible that some of these children are gaining coverage in the FAMIS program as their family income increases.
- **Family Access to Medical Insurance Security (FAMIS) Children's Health Insurance Program.** Adds $16.2 million GF and $36.5 million NGF in FY 2026 to fund the utilization and inflation costs of the FAMIS program. Expenditures in the program are expected to increase by 17.2% in FY 2026 due to growing enrollment, managed care rate increases and increases in utilization of services. FAMIS covers children ages 0 to 18 living in families with incomes between 149% and 205% of the federal poverty level.
- **Fund Estimated Costs to Prepare to Implement New Federal Medicaid Provisions.** Includes nongeneral fund spending of $2.5 million in FY 2026 for preparations to implement new federal Medicaid provisions pursuant to H.R. 1, 119th Congress (2025-2026), effective December 31, 2026. The legislation requires (i) individuals applying for, or already enrolled in, Medicaid Expansion to participate in a qualifying activity at least 80 hours per month to be eligible (work, community service, and/or education), and (ii) states to verify eligibility for Medicaid at application and every six months thereafter.
- **Achieve Medicaid Savings by Removing Duplicative Individuals Enrolled in Other States.** Reflects savings of $6.2 million GF and $15.5 million NGF by ensuring DMAS is reviewing federal and state databases frequently to verify address information to identify and remove Virginia Medicaid enrollees who have coverage in other states. This activity is

mandated for all states effective January 1, 2027, pursuant to provisions in H.R. 1, 119th Congress (2025-2026).

Department of Behavioral Health and Developmental Services

- **Capture Crisis Services Balances.** Reverts $23.1 million GF in FY 2026 from one-time excess carryforward funds for crisis services. This action will right-size the current appropriation to support developing crisis services sites and will not impact planned expenditures for crisis services.

Department of Social Services

- **Adjust the Child Welfare Forecast.** Reduces $4.4 million GF and $4.3 million NGF in FY 2026 from the cost of providing foster care and adoption subsidy payments based on recent expenditure trends.
- **Adjust the TANF and VIEW Childcare Forecast.** Reduces $2.4 million NGF in FY 2026 from the federal TANF block grant funding to account for the forecast of TANF benefits and adjustments to the Unemployed Parents program.
- **Remove Carryforward Funding for the Comprehensive Child Welfare Information System.** Reverts $7.1 million GF from funding carried forward from FY 2025 to FY 2026 for the development of the comprehensive child welfare information system due to delays in the development process.

Natural and Historic Resources

Department of Conservation and Recreation

- **Transfer Balances to General Fund.** Transfers $25.0 million to the general fund from the unobligated balances of the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund.

Department of Environmental Quality

- **Water Quality Improvement Fund Reporting and Prioritization.** Directs the Department to report by October 1st each year the number and amount requested for eligible Water Quality Improvement Fund projects. The language further requires the Department to establish a solicitation period for WQIF grants in addition to criteria to prioritize eligible projects based upon quantifiable nutrient reduction impact. The language requires grant agreements to be fully executed before project construction costs are incurred and that no amount shall be awarded for a grantee to backfill project costs met with any type of taxable debt.

Public Safety and Homeland Security

Department of Corrections

- **Increased Inmate Medical Costs.** Includes $24.9 million GF in additional funding to reflect increased costs of providing medical care to inmates housed in state facilities.

Department of State Police

- **Additional Operating Support.** Provides $50.3 million GF in additional support to reflect increased personnel, equipment, and information technology costs. According to the Department of Planning and Budget, the amount provided includes:
  - $9.3 million GF in additional support for VITA transformation costs
  - $11.5 million GF for the salary and fringe costs of the 144th Basic Trooper School
  - $5.7 million GF for the salary and fringe costs of the 145th Basic Trooper School, prorated to six months
  - $17.8 million GF for the vehicle and equipment costs for the 145th Basic Trooper School
  - $6.0 million GF for unanticipated overtime costs

Transportation

Department of Aviation

- **Authorizes the Purchase of a Replacement Aircraft.** Includes language authorizing the Department of Aviation to purchase an aircraft to replace 1 of the 2 aircraft currently owned by the Department.

Veterans and Defense Affairs

Department of Veterans Services

- **Start-Up Support for Puller Veterans Care Center.** Provides an additional $1.8 million GF in support for the start-up costs associated with the phased opening of Puller Veterans Care Center in Fauquier County.

Central Appropriations

General Fund appropriations within central appropriations reflect employee compensation and benefit changes, which are spread across the agencies in the out years, internal service fund costs spread across agencies, or for one-time expenditures.

Employee Compensation Actions

- **Bonus for State Employees and State Supported Local Employees.** Provides $124.7 million general fund in FY 2026 to provide a bonus for state employees and state supported local employees. The amendment provides $84.8 million for a $1,500 bonus for state employees on June 16, 2026, and $32.7 million for a 2% bonus for state supported local employees on June 1, 2026.

Employee Benefit Plan Funding Actions

- **Adjust Funding for Line of Duty Act Premiums.** Includes $0.5 million GF in FY 2026 to reflect higher than projected premium payments for the Line of Duty based on an increase of approximately 300 currently active state employees who would qualify for the benefits.

Miscellaneous Expenditure Initiatives

- **Increase Appropriation for Higher Education Credit Card Rebates and Interest Earnings.** Provides an increase in FY 2026 of $12.4 million GF and $6.0 million NGF to amend the amount of funding that is returned to the Higher Education Institutions based on interest earnings on tuition and fees, and rebates from credit card charges made by the institutions. The proposal would increase the total fund transfers in FY 2026 from $20.1 million to $38.1 million.

Independent Agencies

Alcoholic Beverage Control Authority

- **Transfer of Net Profit from Store Operations.** Increases the FY 2026 net profit transfer to $160.9 million, an increase of $4.8 million above the $156.1 million transfer assumed by Chapter 725 (2025 Session).

Part 3

Part 3 of the budget contains miscellaneous actions that are not attached to a specific agency. It includes transfers from general to nongeneral funds, working capital and lines of credit, adjustments to tax collections, and adjustments and modifications to fees.

Interfund Transfers

- **Changes to Interfund Transfers.** Transferred the following amounts to the general fund.
  - $25.0 million from the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund
  - $10.0 million from the Virginia Growth and Opportunity Fund
  - $2.2 million from the Virginia Clean Energy Innovation Bank, resulting from the sale of Renewable Energy Certificates. The Department of Planning and Budget captured $7.7 million of GF previously provided for the bank during budget development.

Part 4

Part 4 of the budget is referred to as the General Provisions, and it contains the “fine print,” or the rules governing the Administration’s implementation of the appropriations adopted by the General Assembly. Also included in this section are provisions relating to treasury loans, capital projects, special restrictions on expenditures, positions and employment (including agency head salaries) and gubernatorial reporting requirements.

The final section of Part 4, often referred to as Part 5, contains additional enactment clauses including the effective dates of matters therein.

Special Conditions and Restrictions on Expenditures

- **Medical Services.** Allows funding to be used for abortions covered pursuant to state statute, including those in which a pregnancy occurs because of rape or incest, and in certain cases of gross and totally incapacitating physical deformity or mental deficiency as certified by a physician, after appropriate tests have been performed.

Additional Enactments

- **Virginia Congressional Districts.** Established the boundaries of Virginia’s Congressional Districts upon a favorable outcome of the Special Election held on April 21, 2026, and ensuing litigation. These proposed boundaries did not take effect.

- **Federal Income Tax Laws.** The revenue projections include increases in revenues tied to policy adjustments adopted in Part 4 of Chapter 7. The 13th enactment of Chapter 7 adopted numerous tax policy adjustments, most of which were to conform to recent federal tax policy actions, which resulted in a projected increase in general funds revenues of $99.3 million in fiscal year 2026, and $273.5 million over the 2026-28 biennium.

Impact of Federal Tax Policy Provisions in Chapter 7 ($ in millions)	
Provisions	**FY 2026 Impact**
Reduce the disallowed business interest deduction, pursuant to § 163(j) of the Internal Revenue Code, from 50% to 20%	$65.3
Authorize new Opportunity Zones Program allowing for the deferral and exclusion of gains from investments in economically distressed areas	10.9
Limit Deductions on Corporate Charitable Contributions to only those donations above 1% of the corporations Federal Tax Information (FTI)	4.3
Limit Deductions on Individual Charitable Contributions to only those donations above 0.5% of the individuals Adjusted Gross Income (AGI)	15.8
Other Miscellaneous Provisions	3.0
Total	**$99.3**

BUDGET FOR FY 2026 – FY 2028 BIENNIUM

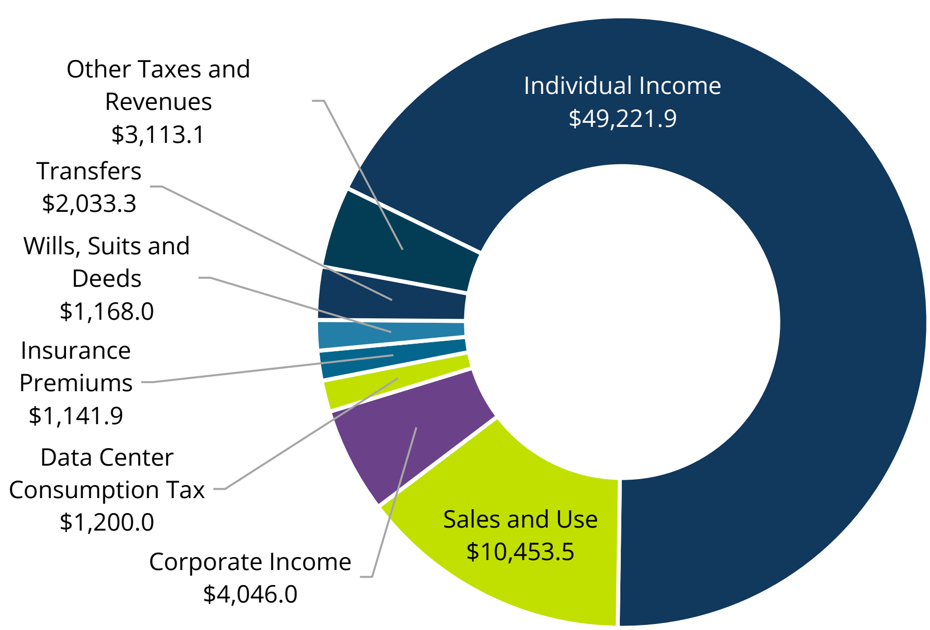
Executive Summary

Revenue Overview

- The adopted budget for the FY 2026-28 biennium, Chapter 1, includes $75.3 billion in general fund resources (including carryforward balances) available for appropriation. Resources include a beginning balance of $2.1 billion. The budget also assumes $593.9 million in additions to balances. This is in addition to the $70.3 billion in estimated revenues over the 2 years and $2.0 billion in assumed transfers to the General Fund over the biennium. The chart below shows General Fund resources by source.

  The revenue forecast used as the basis for the introduced budget was the GACRE forecast presented in November 2025, which assumed 4.9% revenue growth in FY 2027 and 3.9% revenue growth in FY 2028 which was increased to reflect a $2.0 billion increase in the fiscal year 2026 base and adjusted upwards for tax policy adjustments which increased the forecast by $99.3 million in FY 2027 and $273.5 million in FY 2028.

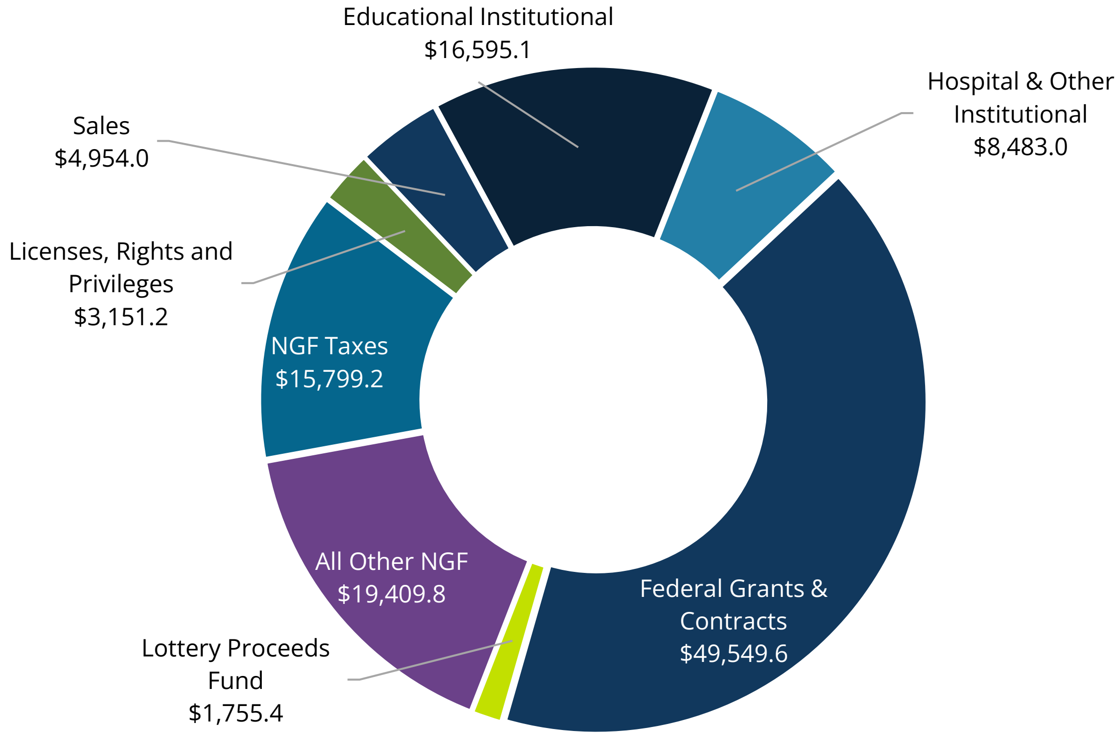
FY 2026-28 GF REVENUES & TRANSFERS = $72.4 BILLION
CHAPTER 1, AS ADOPTED ($ in millions)



- Total biennial revenues, including nongeneral funds, are $192.3 billion. Consistent with recent biennia, the nongeneral fund revenues make up 2/3 of total resources. The chart below includes a breakdown of nongeneral fund revenues.

- The adopted budget includes $75.3 billion in general fund resources and appropriates $75.2 billion in general fund expenditures leaving an unappropriated balance of $179.9 million

FY 2026-28 NONGENERAL FUND REVENUES = $119.7 BILLION, CHAPTER 1, AS ADOPTED ($ in millions)



Tax Policy Changes

Conforming Virginia's Tax Code to Some of the Federal Provisions Adopted in H.R. 1

- The 13th enactment of Chapter 7 (the caboose bill) adopted numerous tax policy adjustments, most of which were to conform to recent federal tax policy actions, which resulted in a projected increase in general fund revenues of $273.5 million over the 2026-28 biennium.

Establish New Data Center Consumption Tax

- Includes language in Part 3 establishing an electricity consumption tax of $0.011 per kilowatt-hour applicable to all data center operators.
- Budget assumes $600.0 million general fund each year in additional revenues from the new consumption tax.

Increase Standard Deduction

- Part 4 language increases the state standard deduction from $8,750 to $9,200 for single filers and from $17,500 to $18,400 for married filers for taxable year 2027, and to $9,300 for single filers and $18,600 for married filers for taxable years 2028 and 2029.
- Budget assumes a reduction in general fund revenues of $51.0 million in fiscal year 2027 and $120.0 million in fiscal year 2028 based on this action.

Impact of Tax Policy Adjustments in Chapter 1
($ in millions)

	FY 2027	FY 2028
Conformity Provisions		
Reduce the disallowed business interest deduction, pursuant to § 163(j) of the Internal Revenue Code, from 50% to 20%	$58.9	$57.6
Authorize new Opportunity Zones Program allowing for the deferral and exclusion of gains from investments in economically distressed areas	22.9	(27.0)
Limit Deductions on Corporate Charitable Contributions to only those donations above 1% of the corporations Federal Tax Information (FTI)	7.7	9.2
Limit Deductions on Individual Charitable Contributions to only those donations above 0.5% of the individuals Adjusted Gross Income (AGI)	40.4	42.5
Modification to Business Interest Limits	13.5	14.4
Other Miscellaneous Provisions	12.7	21.6
Total Impact From Conformity	**$156.1**	**$118.3**
Other Tax Policy Proposals		
Establish New Data Center Consumption Tax	600.0	600.0
Revenue from Cannabis Retail Market Sales	0.0	35.0
Reflect Revenue from Sale of State Property	0.0	44.8
Increase Standard Deduction	(51.0)	(120.0)
Total All Proposals	**$705.1**	**$678.1**

Spending Overview

Chapter 1, 2026 Acts of Assembly, Special Session I includes general fund operational spending totaling $73.7 billion over the biennium with operating expenditures of $37.3 billion in FY 2027 and $36.4 billion in FY 2026. Measured against Chapter 725 operating expenses, this represents an increase of $6.0 billion over the biennium.

Chapter 1 dedicates $1.5 billion in general fund cash to capital outlay projects and authorizes another $1.0 billion in general fund supported debt over the biennium. During the 2025 veto process, the Governor vetoed $691.3 million of GF Capital Outlay spending. Chapter 1 restores the majority of the vetoed projects as well as adding other projects in the capital outlay pipeline that are ready for construction.

New GF spending (operating and capital outlay) above Chapter 725 totals $7.5 billion, with an additional $121.6 million left unspent and available for future needs.

New major spending initiatives for FY 2027 and FY 2028 include:

- $2.8 billion to reflect the additional costs of the Medicaid program resulting from inflation and utilization. This does not include any additional costs to the program resulting from federal bill H.R. 1
- $1.8 billion in compensation and benefits related actions including $713.9 million to support a 3.5% raise for state employees and state-supported local employees, $770.8 million to support a 4.0% raise for teachers starting in FY 2027, and $288.7 million to support the state's share of rising health insurance premiums for state employees
- $449.5 million to reflect changes to state support for public schools resulting from the biennial rebenchmarking process

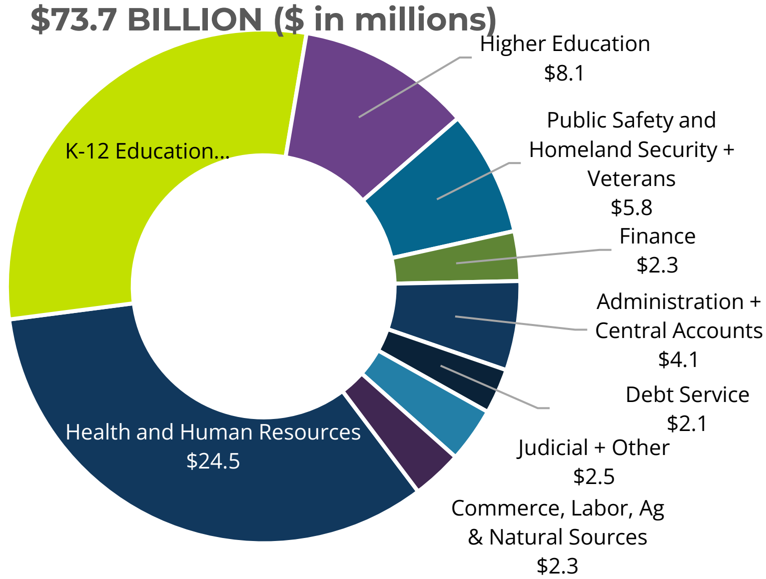
Major savings strategies in Chapter 1 include:

- $309.4 million in adjustments to the employer contribution rate for teacher retirement plans certified by the Virginia Retirement System Board and adjustments to the employer contribution rate for state employees enrolled in the hybrid plan. These changes reflect the higher funded status of the plans based on recent market returns
- $283.2 million in savings by removing the automatic inflation adjustments for FY 2027 and FY 2028 for hospitals and additional medical providers in the Medicaid program
- $108.0 million in savings from changes to crisis services offered by Medicaid, which include limiting services to four-hours, network changes for mobile crisis services and removing community stabilization as a covered service

Large one-time GF investments are primarily concentrated in areas particularly vulnerable to federal and economic uncertainty

- $350.0 million to support Medicaid forecast revisions and allow for the state to prepare for the out-year costs resulting from H.R. 1 through Medicaid reserve contingency funding included in Central Accounts
- $329.5 million for the state share of wastewater treatment plan improvements
- $296.4 million for the Water Quality Improvement Fund and Agriculture Cost-Share program, $107.9 million of which is mandatory based on the FY 2025 year-end GF surplus
- $225.0 million to address unanticipated costs related to H.R. 1 and continued federal retrenchment through the action of a Federal Uncertainty Contingency Fund
- $200.0 million to replenish the State Employee Health Insurance Fund
- $153.0 million in additional operating support for the Washington Metropolitan Area Transit Authority
- $150.0 million to support premium reductions of about 70% for those between 138% and 250% of the Federal Poverty Level who buy insurance on the state health insurance marketplace

FY 2026 - FY 2028 BIENNIAL GENERAL FUND SPENDING BY SECRETARIAL AREA, CHAPTER 1
$73.7 BILLION ($ in millions)



The chart above highlights biennial GF operating spending by secretarial area, which totals $73.7 billion over the biennium. K-12 Education and Health and Human Services, continue to dominate total spending with 63% of spending directed to these areas.

Top Spending Items by Area

Below is a summary of the top spending items in each area of the budget. Chapter 1 includes new amendments totaling a net of $8.4 million over the biennium. This figure represents new operational amendments to the state budget and does not factor in base budget adjustments, which are more technical in nature. By comparison, HB 30, as introduced, proposed spending $4.7 billion on new items. The $3.7 billion of additional spending included in Chapter 1 is largely attributed to new resources realized during the 2026 budget development process. The chart below summarizes net new operational spending by area of government.

Area of Government ($ in millions)	Net New Amendments Total
Health and Human Resources	$3,072.2
Central Appropriations	1,924.9
K-12 Education	1,545.8
Natural and Historic Resources	582.2
Higher Education	277.2
Public Safety and Homeland Security	201.7
Commerce and Trade	201.0
Transportation	175.2
Independent Agencies	146.4
Judicial	79.2
Finance	73.5
Administration	16.4
Executive Offices	15.1
Labor	12.5
Veterans and Defense Affairs	11.8
Other Education	10.8
Agriculture and Forestry	7.9
Legislative	3.1
Total	**$8,357.1**

Health and Human Resources

- **Medicaid Forecast.** Includes spending of $1.1 billion in FY 2027 and $1.7 billion in FY 2028 from the general fund for the forecast of utilization and inflation in the Medicaid program.

- **Children's Services Act (CSA) Forecast.** Adopts $49.6 million GF in FY 2027 and $86.5 million GF in FY 2028 for estimated caseload and cost increases in CSA.
- **Department of Social Services.** Provides $135.0 million GF in FY 2028 to fund the new cost share in SNAP benefit allotments per H.R. 1.
- **Department of Social Services.** Adds $43.0 million GF in FY 2027 and $57.4 million GF in FY 2028 to fund the new state share of SNAP administrative costs per H.R. 1.
- **Medicaid Personal Care Rates.** Adds $20.5 GF in FY 2027 and $74.9 million GF in FY 2028 to increase Medicaid rates for agency and consumer-directed personal care, respite and companion care in Medicaid home- and community-based services, including the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program.
- **Virginia Health Care Fund.** Reflects an increase of $41.5 million GF in FY 2027 and an increase of $52.2 million GF in FY 2028 to account for the latest revenue estimates in the Fund. Revenue from tobacco taxes and pharmacy rebates are projected to be lower in FY 2027, thus requiring additional general fund to cover Medicaid program costs.
- **Children's Health Insurance Programs.** Includes spending of $29.6 million in FY 2027 and $55.2 million in FY 2028 for the children's health insurance programs (FAMIS and M-CHIP).
- **Medicaid Developmental Disability Waiver Rates.** Adds $38.6 million GF in the first year and $43.1 million GF in the second year of the biennium to increase rates for Medicaid Developmental Disability Waiver services.

Compensation and Retirement

- **State 3.5% Raises for State Employees and State Supported Local Employees**. Includes $222.6 million general fund in FY 2027 and $491.3 million general fund in FY 2028 to provide a 3.5% salary increase for state employees and state supported local employees at the beginning of each fiscal year.
- **State Employee Health Insurance Premiums**. Includes $120.9 million GF in FY 2027 and $167.8 million GF in FY 2028 to support a 17% increase in premiums for the state employee health insurance program effective July 1,2026 and an additional increase of 5% effective July 1, 2027.
- **Lump Sum Deposit for State Employee Health Insurance Fund.** Provides $200.0 million from the general fund in fiscal year 2027 to provide a lump sum deposit into the State Employee Health Insurance Fund in response to a significant decrease in the Fund's balance over the past year.

- **Lump Sum Deposit to Address Unfunded Liability for State Employee Retiree Health Credit Plan.** Provides $93.6 million general fund in the first year to reduce the unfunded liability for the retiree health care plan for state employees managed by the Virginia Retirement System. The $93.6 million represents approximately 15% of the plan's unfunded liability as June 30, 2025.

Early Childhood and K-12 Education

- **Rebenchmark the Cost of Public Education for 2026-2028 Biennium.** Includes $449.7 million GF to fully fund biennial rebenchmarking and other technical updates.
- **4% Salary Increases in FY 2027 and FY 2028.** Includes $254.5 million GF in FY 2027 and $516.3 million GF in FY 2028 for the state's share of a 4% salary increase for SOQ-recognized instructional and support positions.
- **School Construction Assistance Grants.** Provides $274.0 million NGF in FY 2027 and $25.0 million NGF in FY 2028 in additional school construction grants.
- **Special Education Add-On.** Includes $74.4 million GF in FY 2027 and $74.0 million GF in FY 2028 to increase the add-on to Basic Aid from 4.75% to 9.25% for special education students, and from 5.25% to 17.5% for special education students with more intense service needs.
- **Child Care Subsidy Program Slots.** Provides $71.0 million GF in FY 2027 and $66.6 million in FY 2028 to support additional subsidy slots for eligible families with children from birth through age 5.
- **Employee Child Care Assistance Program.** Provides $25.0 million GF in FY 2027 to establish a program to share the costs of child care for employees among the Commonwealth, employers, and eligible families.

Higher Education

- **Access and Affordability.** Provides $148.3 million GF over the biennium to maintain affordability and access goals at public colleges and universities, allowing institutions to limit in-state undergraduate tuition increases.
- **Student Financial Assistance.** Provides $65.0 million GF over the biennium for undergraduate financial aid.
- **HBCU Public-Private Partnerships.** Designates $50.0 million GF over the biennium to support HBCUs in a public-private partnership to improve health outcomes of vulnerable and marginalized populations in their surrounding localities through research, education, workforce development and outreach.

- **Workforce Development**. Provides $49.4 million GF over the biennium to enhance workforce development efforts in Virginia Community Colleges and higher education centers.

Natural and Historic Resources

- **Water Quality Improvement Fund Deposit.** Makes a Water Quality Improvement Fund deposit totaling $294.6 million in FY 2027.
- **Enhanced Nutrient Removal Certainty.** Includes $329.5 million GF in FY 2027 to provide the Commonwealth's share of financial support for eligible wastewater treatment plant improvement projects.
- **Richmond CSO.** Includes $50.0 million GF the first year to support the ongoing Richmond Combined Sewer Overflow improvement project.
- **Stormwater Local Assistance Fund.** Includes $43.5 million GF in FY 2027 for deposit in the Stormwater Local Assistance Fund to support grants to localities for improvements to their municipal separate storm sewer systems.
- **Soil and Water Conservation District Dam Fund.** Provides $25.0 million GF to restore one-time funding for the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund. House Bill 29 as adopted transferred $25.0 million from the balances of the Fund to the general fund.
- **Shoosmith Landfill.** Provides $10.6 million GF the first year to support the operations and monitoring related to resolving the ongoing environmental issues at Shoosmith Landfill in Chesterfield County. Language directs the Secretary of Natural and Historic Resources to provide a report detailing findings and recommendations related to addressing the funding, environmental and regulatory concerns arising from the response efforts at the Landfill.

Economic Development and Labor Protections

- **Housing Affordability and Homelessness Reduction.** Provides $92.3 million over the biennium in new funding to help address housing affordability and reduce homelessness through several initiatives. Most of this new funding is dedicated to the Virginia Housing Trust Fund ($60.0 million) and a new mixed income housing pilot program ($20.0 million).
- **Custom Performance Grants for Economic Development Projects.** Includes $53.7 million in additional resources to support major economic development projects that were approved by the MEI Commission.
- **Raising the Minimum Wage.** Provides $47.7 million over the biennium to raise the minimum wage for state employees, constitutional officers, and home health care workers

($13.75 in 2027 and $15 in 2028). The majority of this new funding is directed to increasing the personal care rates for Medicaid-consumer and agency-directed personnel and offers a Northern Virginia wage differential, due to the high cost of living in this area.

- **Life Science Research.** Provides $12.0 million in new funding for three higher education initiatives designed to expand the state's capacity for life science research: The Virginia Institute for Biotechnology at UVA, the Virginia Tech Patient Research Center, and the Medicines for All Institute at VCU, bringing total general fund support for these efforts to just over $130.0 million.
- **Virginia Business Ready Sites.** Provides an additional $10.0 million in one-time support in FY 2027 for this economic development program, bringing total biennial support to $50.0 million over the biennium.
- **Clean Energy Innovation Bank.** Provides $10.0 million to capitalize the Virginia Clean Energy Innovation Bank, which will allow the state to leverage federal funds to invest in energy generation and storage projects.
- **Expanded Capacity at the Department of Labor and Industry.** Adds $6.5 million in FY 2027 and $3.6 million in FY 2028 to increase labor law enforcement activities at the Department of Labor and Industry, allowing the agency to hire 25 new positions to enforce several revised and new labor laws in Virginia.

Transportation

- **Additional Operating Support for the Washington Metropolitan Area Transit Authority.** Includes $153.0 million general fund in fiscal year 2027 to provide the state share of the increased operating support for the Washington Metropolitan Area Transit Authority over the two-year biennium.
- **Funding for Continued Development of Inland Port.** Includes $20.0 million in General Fund support in FY 2027 under the Port of Virginia for the continued development of the Inland Port in Washington County.
- **Provide Additional Funding for Toll Relief in Hampton Roads.** Includes $24.0 million general fund in FY 2028 to ensure there is sufficient funding for the toll relief programs in Hampton Roads.
- **Funding for Virginia Coalfields Expressway Project.** Includes $7.0 million general fund in FY 2027 to support improvements for Route 460 as part of the Virginia Coalfields Expressway Project.

Public Safety and Homeland Security

- **Address State Police Personnel and Equipment Costs.** Provides an additional $23.0 million GF in FY 2027 and $52.2 million GF in FY 2028 to address increased personnel and operational costs within the Department.
- **Increased Inmate Medical Costs.** Includes an additional $28.9 million GF in FY 2027 and $30.8 million GF in FY 2028 to reflect increased costs of providing medical care to inmates housed in DOC facilities. Factors identified as driving this increase include increased compensation for medical staff directly employed by DOC, increased costs for contract medical personnel, and increased spending for off-site medical care. These amounts are in addition to the $24.9 million GF in additional funding for inmate medical care included in the caboose bill.

Veterans and Defense Affairs

- **Puller Veterans Care Center Startup Costs.** Includes $7.5 million GF in FY 2027 to reflect estimated startup costs at Puller Veterans Care Center in Fauquier County. This is in addition to $1.8 million GF in startup support provided in House Bill 29 in FY 2026. It is expected that upon full operation Puller Veterans Care Center will be fully supported by nongeneral fund revenues. Language directs the Department to establish a work group to review the business plans for veterans care centers, identify options for repayment of a previously authorized working capital advance, and to analyze the impact of operating the veterans care centers as a system.
- **Virginia Military Infrastructure Grant Program.** Provides $2.0 million GF in FY 2027 for the Virginia Military Infrastructure Grant Program. The Program is used to provide competitive matching grants to localities to aid in the planning and design, construction, or completion of infrastructure projects that enhance military readiness, installation resiliency, or quality of life for military communities. The Program received a previous one-time appropriation of $5.0 million GF in FY 2023.

General Government

- **Debt Service.** Includes $67.9 million over the biennium to reflect updated debt service payments owed on bond issuances.
- **Judicial Funding.** Provides $80.1 million for the court system, to include $46.7 million for deposit to the Criminal Fund to support court-appointed attorney pay and other critical court support costs, including a rate increase for guardians ad litem; $16.1 million to fund critical court IT initiatives, $9.9 million for additional judgeships, and $7.4 million to increase paralegal support for the Indigent Defense Commission

- **Constitutional Officers.** Includes an additional $6.7 million for local constitutional officers, to include funding for commonwealth's attorneys to fully address underfunded positions and increase paralegal salaries, additional administrative positions for sheriffs' offices, and career development funding for circuit court clerks.
- **Statewide Offices.** Provides $13.7 million to augment staffing in statewide offices, including $11.3 million for the OAG to supplement staff, address legislation and salary compression, and $2.4 million for supplemental staffing for the Governor's office
- **Relocation of Confederate Statues.** Includes $1.7 million for DGS to relocate confederate statues on Capitol Square.

Capital Outlay

- **Overall Capital Outlay.** Includes more than $2.5 billion in general fund resources ($1.5 billion GF cash and $1.0 billion in GF supported debt), plus another $850.0 million in NGF appropriation to support state owned buildings.
- **Higher Education Projects.** Over 70%, or $1.8 billion, in GF capital outlay funding is for projects at institutions of higher education. This includes funding for a number of high cost projects that have progressed through the pipeline and are ready for construction funding, to include a new school of dentistry at VCU; a center for the arts at the University of Virginia; an arts and engineering building at ODU, and expansions of the College of Health & Behavioral Studies at JMU and the Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute in Roanoke.
- **State Agency Projects.** Includes over $700.0 million in GF cash resources for projects at state agencies, with half of the funding allocated to construct a replacement facility for the state Supreme Court and the Virginia Court of Appeals. Other state capital projects of note include $40.0 million to install HVAC at state correctional centers, $40.0 million to address deferred maintenance at state parks, and $33.0 million to address necessary improvements at DBHDS facilities.

Resources

The adopted budget for the 2026-28 biennium budget includes $75.3 billion in general fund resources available for appropriation.

General Fund Resources Available for Appropriation in Chapter 1, as Adopted (2026-28 biennium, $ in millions)	
Beginning Balance	$2,136.4
Additions to the Balance	593.9
Official GF Revenue Estimate	70,344.5
Transfers	2,033.3
GF Resources Available for Appropriation	**$75,288.1**

Available Balances

Chapter 7, the caboose bill, included an unappropriated balance of $2.1 billion which is carried over into the 2026-28 biennium as the beginning balance.

Forecast of General Fund Revenues

The updated 2026-28 general fund revenue forecast included in the budget assumes revenue growth of 4.1% in FY 2027 and 2.7% in FY 2028. These growth rates are calculated off of a higher FY 2026 base compared to the forecast used in developing the revenue projections for Chapter 725, which was the starting point for building the base budget for the 2026-28 biennium. Actual fiscal year 2026 revenues were approximately $2.0 billion above the revenues assumed in Chapter 725.

The moderate growth over the biennium is driven by a forecast of growth in withholding tax collections of 3.7% in FY 2027 and 3.6% in FY 2028.

Forecast of General Fund Revenues, Projected Growth ($ in millions)				
	FY 2027	**% Growth**	**FY 2028**	**% Growth**
Withholding	$19,330.7	3.7%	$20,019.6	3.6%
Nonwithholding	8,034.6	0.1	7,965.6	(0.9)
Refunds	(3,034.7)	3.3	(3,093.9)	2.0
Net Individual	24,3304.6	2.6	24,891.3	2.3
Corporate	1,964.2	3.1	2,081.8	6.0
Data Center Consumption Tax	600.0	N/A	600.0	0.0
Sales	5,151.3	0.5	5,302.2	2.9
Insurance	563.9	9.6	578.0	2.5
Wills (Recordation)	549.9	1.8	618.1	12.4

Forecast of General Fund Revenues, Projected Growth ($ in millions)				
All Other Sources	1,536.0	1.5	1,577.1	2.7
Total GF Revenues	**$34,695.9**	**4.1%**	**$35,648.6**	**2.7%**

Policy Changes Reflected in Revenue Forecast

The policy adjustments included in the forecast increase assumed revenues by $705.1 million in FY 2027 and $678.1 million in FY 2028.

Enacted Budget

- **Conform Virginia's Tax Code to the Majority of Federal Provisions Adopted in H.R. 1**. The 13th enactment of Chapter 7 adopted numerous tax policy adjustments, most of which were to conform to recent federal tax policy actions, which resulted in a projected increase in general funds revenues of $99.3 million in fiscal year 2026, and $273.5 million over the 2026-28 biennium.

Conformity Provisions ($ in millions)		
	FY 2027	**FY 2028**
Reduce the disallowed business interest deduction, pursuant to § 163(j) of the Internal Revenue Code, from 50% to 20%	$58.9	$57.6
Authorize new Opportunity Zones Program allowing for the deferral and exclusion of gains from investments in economically distressed areas	22.9	(27.0)
Limit Deductions on Corporate Charitable Contributions to only those donations above 1% of the corporations Federal Tax Information (FTI)	7.7	9.2
Limit Deductions on Individual Charitable Contributions to only those donations above 0.5% of the individuals Adjusted Gross Income (AGI)	40.4	42.5
Modification to Business Interest Limits	13.5	14.4
Other Miscellaneous Provisions	12.7	21.6
Total Impact	**$156.1**	**$118.3**

- **Establish New Data Center Consumption Tax**. Assumes $600.0 million in general fund revenues each year pursuant to language in Part 3 establishing an electricity consumption tax of $0.011 per kilowatt-hour applicable to all data center operators.

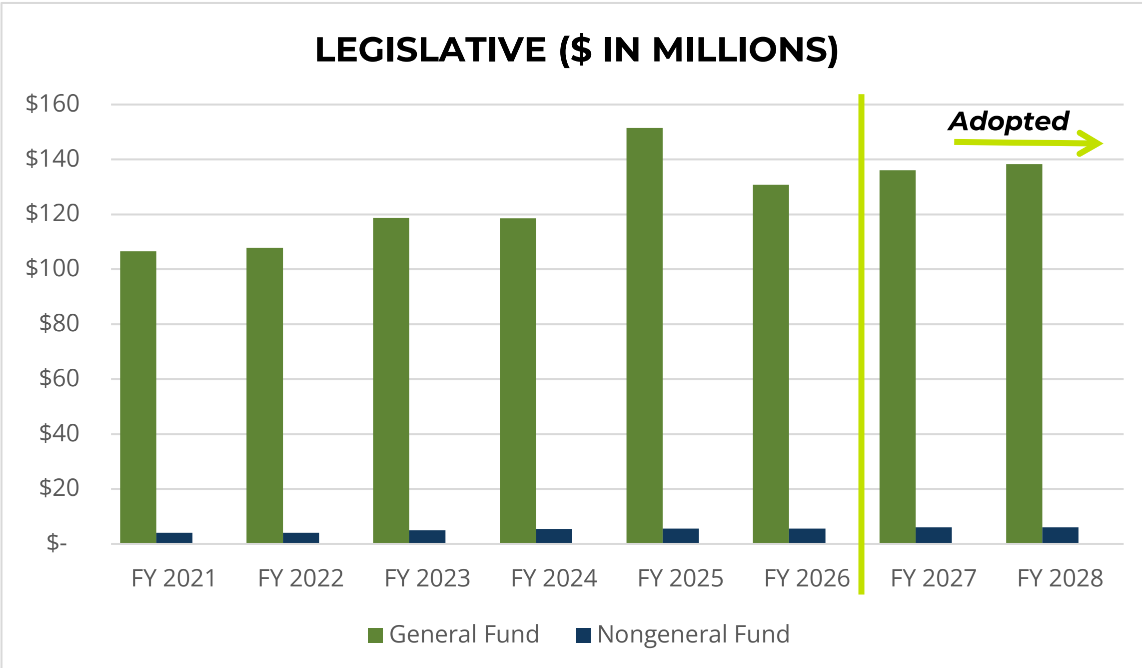
- **Increase the Standard Deduction.** Reflects a reduction in general fund revenues of $51.0 million in fiscal year 2027 and $120.0 million in fiscal year 2028 from Part 4 language by increasing the state standard deduction from $8,750 to $9,200 for single filers and from $17,500 to $18,400 for married filers for taxable year 2027, and to $9,300 for single filers and $18,600 for married filers for taxable years 2028 and 2029.
- **Increased Revenue from Cannabis Retail Market Sales**. Increases the general fund revenue assumptions by $35.0 million in fiscal year 2028 as a result of language in Part 4 establishing a regulated, adult-use retail cannabis market with sales beginning July 1, 2027. The language authorizes up to 350 stores. In addition to the state sales tax, the language authorizes a local option tax of 3.5%, and a state excise tax of 6% for the first year and 8% thereafter.
- **Reflect Revenues from the Sale of State Property.** An additional adjustment reflects $44.8 million in additional revenue for fiscal year 2028 from the sale of numerous state properties.

General Fund Transfers

Assumed transfers to the general fund total $2.0 billion over the biennium. Of this amount, $1.3 billion represents the standard 0.375% sales tax transferred from the Local Real Estate/SOQ Fund for public education and $279.6 million is related to profits from the Alcohol Beverage Control Authority.

GF Transfers, Chapter 1 (2026-28 biennium, $ in millions)	
0.375% Sales Tax – Public Education	$1,271.9
ABC Profits	279.6
ABC/Wine to DBHDS for Substance Abuse Treatment	149.0
Transfer Excess Balances From 2026 Tax Rebate Fund	99.5
Transfer Balances From Economic Development Site Acquisition Fund	80.8
Transfer of Racing Commission Revenue	62.0
Other Miscellaneous Transfers	90.5
Total Net Transfers	**$2,033.3**

Legislative

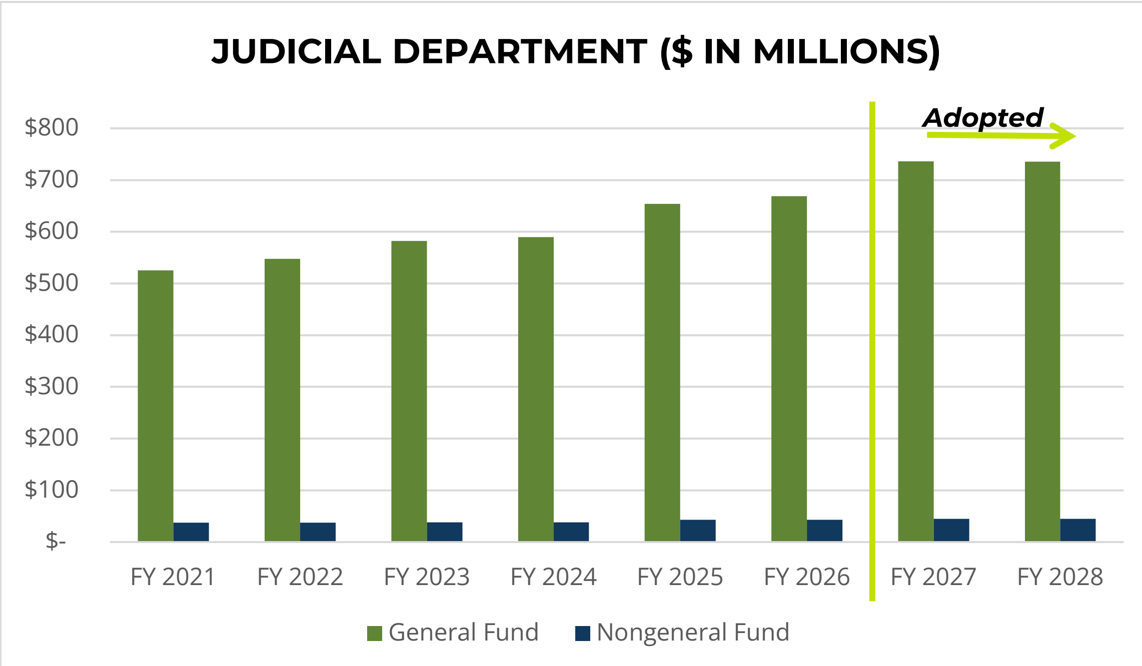


Chapter 1 GF spending for the Legislative branch continues a 5% average annual growth since FY 2021. Notable budget items include:

- **Address Legislator Compensation.** Provides $2.1 million GF in the second year to adjust the member compensation up to $50,000, effective at the start of the 2028 legislative session.
- **Study by Joint Subcommittee on Tax Policy on Data Centers.** Directs the Joint Subcommittee on Tax Policy to meet at least twice prior to the 2027 Session to review impacts associated with the data center industry.
- **Fund Legislation Implementation.** Includes $281,984 GF the first year and $246,984 GF the second year to support legislation passed by the 2026 General Assembly that directs:
    - The creation and administration of a new Men and Boys Advisory Commission
    - Updates to the Commission on Civic Education website
    - JCOTS to evaluate the framework for independent verification organizations
    - COIA administration of disclosures for local government officers and employees
    - Additional staff position for the Joint Commission on Health Care
- **Reflect Operating Cost Increases.** Includes $155,000 GF the first year and $280,000 GF the second year for legislative commission operations: an attorney for the Commission on Electric Utility Regulation, actuarial services for the Commission on Unemployment Compensation, and additional support for the State Crime Commission and the Commission on Youth to meet legislative directives, such as a workgroup on Child Advocacy Centers directed by this budget.

- **Reversion of Available Balances.** Transfers $2.4 million the first year of excess balances from legislative branch agencies for deposit to the general fund.

Judicial



Chapter 1 GF biennial spending for Judicial branch agencies is 11% higher than the prior biennium. Beyond base and technical adjustments, most of the increased spending is due to a biennial increase of $40.8 million GF to the Criminal Fund within the courts system. The Criminal Fund is the source from which the state reimburses such critical court services as court-appointed attorneys, mediators, court-appointed experts, guardians ad litem, interpreters, and jurors.

Supreme Court

- **Enhance Agency Technology, Security, and Video Conferencing Infrastructure.** Includes $3.3 million GF the first year and $4.3 million GF the second year to advance digital services, judicial video conferencing infrastructure, establish a security operations center, and to develop a property alert notification system in accordance with 2026 legislation.
- **Increase Guardian Ad Litem Rate.** Includes $2.3 million GF each year and language increasing guardian ad litem (GAL) rates from the current level of $57.50/hour out of court and $78.75/hour in court, to $63.00/hour and $87.00/hour, respectively.
- **Perform Reviews of Court Processes, Fines, and Fees.** Directs the courts to convene workgroups to review and make recommendations on: the cost and feasibility of providing a unified efiling system for civil and criminal cases in circuit courts; and, various aspects of court fines and fees.

Virginia Court of Appeals

- **Increase Court of Appeals Judgeships.** Provides $3.4 million GF the first year and $3.1 million GF the second year for four additional judgeships and affiliated support staff as approved in Chapter 615 (House Bill 443).
- **Modernize Court of Appeals Appellate Case Management System.** Includes $3.7 million GF the first year and $3.5 million GF the second year to establish, design, and build a new Appellate Case Management System for the Court of Appeals.
- **Support One-Time Cost to Modify Sentences for Marijuana-Related Offenses.** Provides $1.4 million GF the first year for costs associated with Chapter 1103 (HB 26) which relates to the modification of sentences for marijuana-related offenses. A companion budget amendment in the Department of Corrections provides funding for additional costs anticipated to result from the legislation.

Circuit Courts

- **Increase Circuit Court Judgeships.** Provides $351,849 GF the first year and $699,598 GF the second year for two circuit court judgeships established by Chapter 615 (HB 443), with a delayed effective date for the judgeship in the 20th Circuit until July 1, 2027, per the legislation. These judgeships were recommended by the Judicial Council.

General District Courts

- **Criminal Fund.** Provides $20.4 million GF each year for deposit to the Criminal Fund, from which the state pays for court services that include court-appointed attorneys, mediators, court-appointed experts, guardians ad litem, interpreters, and jurors.
- **Increase General District Court Judgeships.** Provides $644,256 GF the first year and $636,056 GF the second year and 2 positions to increase judgeships in the 12th and 26th Judicial Circuits, as expanded by Chapter 615 (HB 443). These judgeships were recommended by the Committee on District Courts.

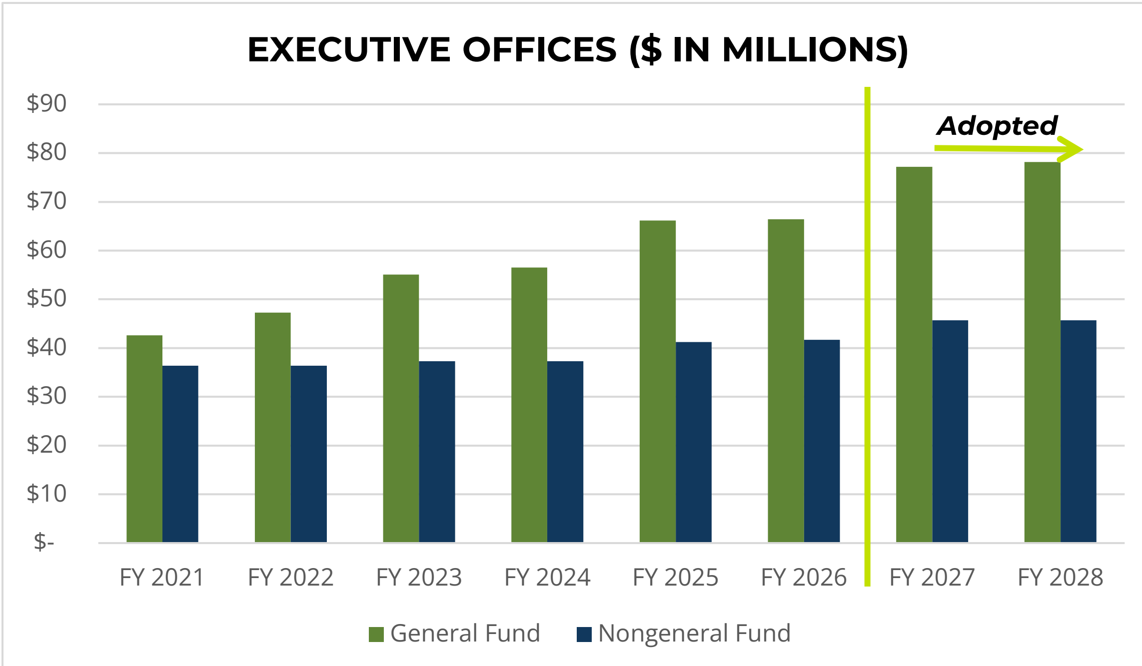
Juvenile and Domestic Relations District Courts

- **Increase General District Court Judgeships.** Provides $322,128 GF the first year and $640,156 GF the second year for two additional judgeships pursuant to Chapter 615 (HB 443), with a delayed effective date for the judgeship in the 15th Circuit until July 1, 2027, per the legislation. These judgeships were recommended by the Committee on District Courts.

Indigent Defense Commission

- **Increase Public Defender Support Staff.** Provides $3.7 million GF and 45 positions each year for support staff in public defender offices, including paralegals, mitigation specialists, investigators, and legal assistants.

Executive Offices



The 2026-2028 budget for Executive Offices reflects an approximate 17% increase in total biennial GF appropriation as compared to the prior biennium; largely due to base and technical adjustments as well as supplemental staffing provided in Chapter 1. New GF spending for this area of the budget is driven by increases in staffing for the office of the Governor, Attorney General, and Secretary of the Commonwealth, as detailed below.

Office of the Governor

- **Increase Staffing for the Office of the Governor.** Provides $1.5 million GF each year and 12 positions to supplement staff support in the Office of the Governor. Included in this total is $300,750 GF each year and 2 positions to hire a data analyst and a deputy director for the Office of the Children's Ombudsman.

Attorney General and Department of Law

- **Supplement Staffing.** Provides $1.6 million GF the first year and $2.6 million GF the second year and 18 positions to augment staffing within the Office of the Attorney General. Of the total 18 positions, 10 are attributable to workload increases corresponding to legislation passed by the 2026 General Assembly.

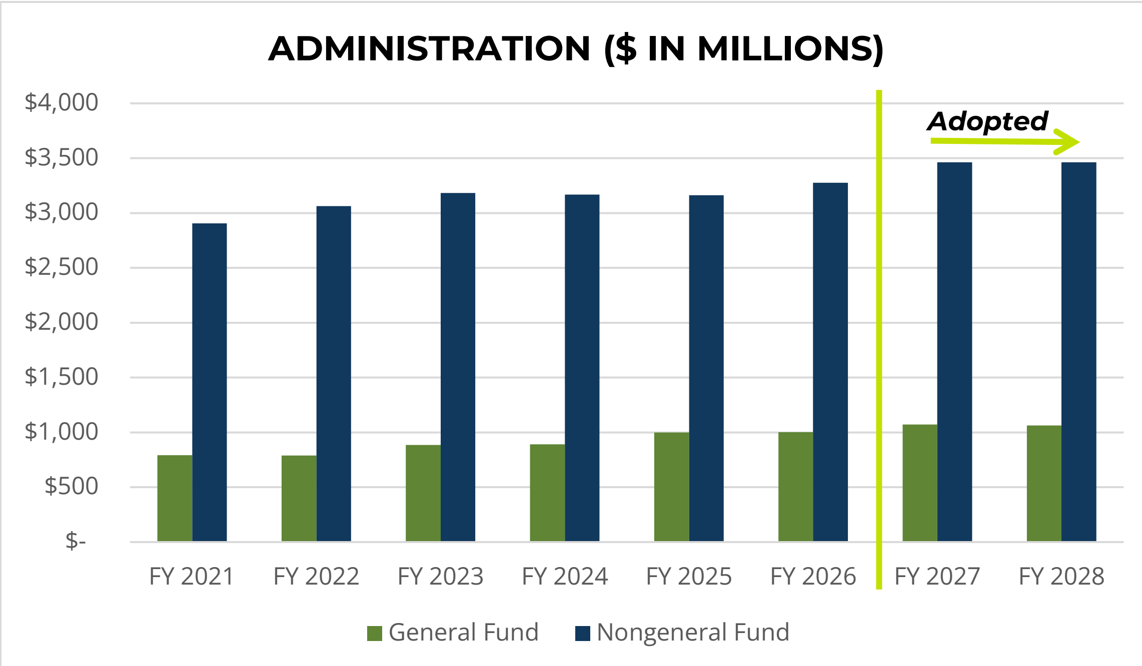
- **Address Salary Compression Issues.** Provides $3.5 million GF each year for salary compression adjustments for approximately 320 attorneys within all divisions of the Office of the Attorney General.

- **Increase Position Level to Reflect Current Employment Levels.** Provides an increase of 50 positions for the Office of the Attorney General to reflect actual agency employment levels; no funding is associated with this action.
- **Authorize Electronic Nicotine Delivery Systems Funds.** Provides $1.8 million NGF each year and authorization to utilize funds from the JUUL settlement to support agency startup regulatory and enforcement costs associated with Chapter 1021 (HB 308). After the initial startup, work associated with the legislation will be supported through fee collections transferred to the agency from the Alcoholic Beverage Control Authority.

Secretary of the Commonwealth

- **Supplement Staffing.** Provides $360,392 GF each year and 3 positions for the Secretary of the Commonwealth to assist with notary processing, clemency-related operations, and workload associated with deed fraud protection in accordance with Chapter 364 (HB 163).

Administration



The final budget for the 2026-2028 biennium for the Administration secretariat reflects an overall increase in biennial GF spending of 6.8% as compared to the prior biennium. This is largely due to distribution of central accounts items approved in prior biennium (e.g., statewide raises, centralized IT costs, etc.). The measurable nongeneral fund appropriation for this secretariat is attributable to the Virginia IT Agency (VITA), which collects service charges for its provision of IT infrastructure, security, and support for executive branch agencies.

Notable GF spending in Chapter 1 includes increases of over $6.2 million over the biennium for local constitutional officers, to include funding for commonwealth's attorneys to fully address underfunded positions and increase paralegal salaries, additional administrative positions for sheriffs' offices, and career development funding for circuit court clerks.

Compensation Board

- **Reclassify Commonwealths Attorneys' Paralegal Pay and Address Unfunded Positions.** Includes $2.1 million GF the first year and $2.2 million GF the second year to (i) reclassify paralegals in Commonwealth's Attorney offices to a higher administrative salary level; and (ii) fully restore unfunded positions.
- **Increase Administrative Positions in Sheriffs' Offices.** Provides $700,00 GF each year to fund 18 additional sheriff administrative positions.

- **Provide Career Development Program (CDP) Funding for Circuit Court Clerks.** Includes $459,927 GF the first year and $510,937 GF the second year to fund the CDP salary incentive for 5 circuit court clerks and 94 deputy clerks who have met the qualifications.
- **Address Various Local and Regional Jail Needs.** Includes $262,269 GF each year to continue the victim notification services program (VINE- $127,269/yr), increase by $75,000 the reimbursement to Nottoway for costs incurred by housing residents of the Virginia Center for Behavioral Rehabilitation (VCBR), and a one-time cost in FY 2027 of $60,000 to program upgrades to the local inmate data system in correlation with Chapter 865 (HB 861).

Department of Elections

- **Replace Campaign Finance System.** Adds $3.3 million in FY 2027 to replace the Electronic Tracking Committee (COMET) and Campaign Finance Management (CFM) systems through a partnership with VITA.
- **Hold Constitutional Referenda.** Provides $1.3 million in FY 2027 to cover costs incurred by the Department of Elections for advertising constitutional referenda ballot questions on marriage equality, reproductive rights, and restoration of voting rights.

Department of General Services

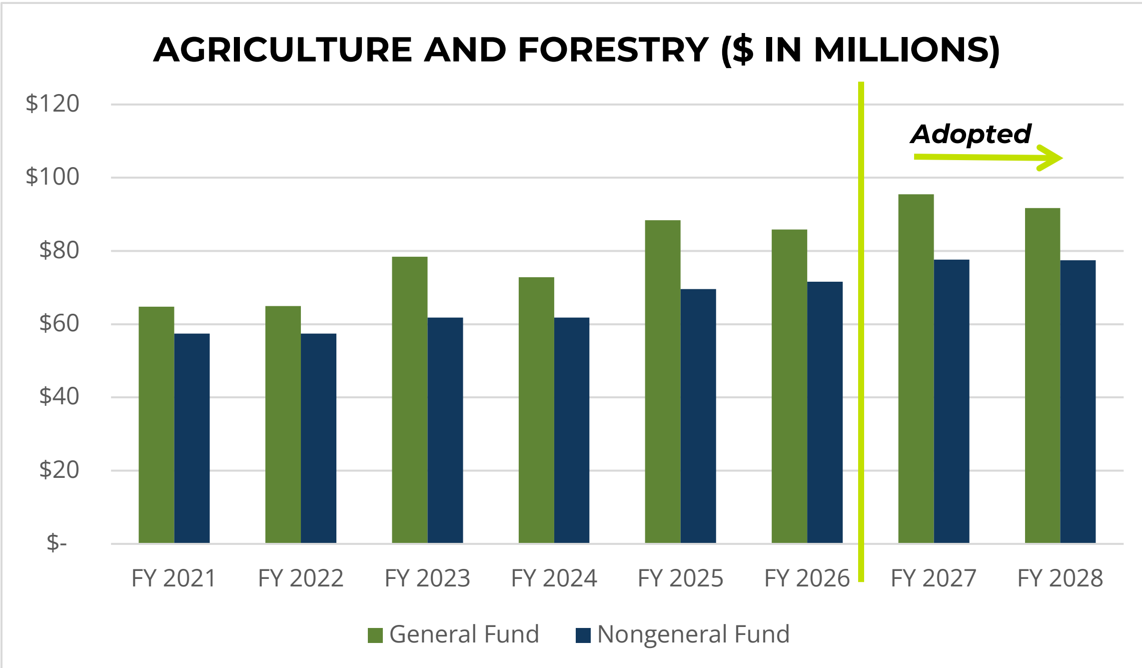
- **Relocate Confederate Statues in Capitol Square.** Includes $1.8 million GF the first year to relocate 3 confederate statues in Capitol Square to the Shenandoah Valley Battlefields Foundation.
- **Adjust Internal Service Funds.** Includes $18.6 million NGF the first year and $18.9 million NGF the second year to adjust five of the agency’s internal service funds to reflect anticipated expenditures and increases the state rent rate from $15.50 to $18.25 per square foot. A corresponding amendment in Central Appropriations funds the GF share of the rate increase. Also includes language authorizing DGS to adjust the rate for capital project services provided by the Division of Engineering and Building.
- **Extend Line of Credit and Treasury Loan Authority for Agency Operations.** Authorizes the agency to utilize a treasury loan and line of credit to assist with uncertain timing of receipt of rent payments and federal cash drawdowns, respectively.

Department of Human Resource Management

- **Review of the Commonwealth's Job Classification System.** Includes $350,000 GF the first year requiring the Department to review and make recommendations regarding the Commonwealth's employee classification system.

- **Hire a State Internship Coordinator.** Provides $175,224 GF each year for a state internship coordinator in accordance with Chapters 786 and 787, 2026 Acts of Assembly.
- **Increase Funding for the Virginia Management Fellows Program.** Provides $200,000 GF each year, 2 positions, and authorization for the department to adjust the starting salary of program fellows to ensure the program remains competitive.
- **Expand Agency Participation in the Human Resource Shared Service Center.** Includes $268,280 NGF the first year and $284,920 NGF the second year and two positions to support increased operations of the agency's HR shared service center. The budget includes language that requires cabinet secretary approval for an agency to be served by the center.

Agriculture and Forestry



The final budget includes an increase in general fund spending for the Agriculture and Forestry Secretariat totaling 11.6% growth in FY 2027 compared to FY 2026. The largest new spending item included in the adopted budget was $3.0 million in additional funding in FY 2027 for the Virginia Agricultural Food Assistance Program.

Department of Agriculture and Consumer Services

- **Virginia Agricultural Food Assistance Program.** Provides $3.0 million GF the fist year to increase support for the Virginia Agricultural Food Assistance Program.
- **Virginia Fresh Match.** Includes $1.0 million GF the first year to support Virginia Fresh Match, which is a network for farmers and local food retailers who double the value of SNAP food assistance spent on fruit and vegetables.
- **Weights and Measures, Cannabis Retail Market.** Provides $412,000 GF the first year and $550,000 GF and 4 positions to support workload increases in the Department's Office of Weights and Measures related to the establishment of an adult-use retail cannabis market.
- **Grain Inspection Capacity.** Includes $564,000 each year and 7 positions from nongeneral funds to support grain inspection for expanded grain operations in Portsmouth.
- **Food Safety and Security, Cannabis Retail Market.** Provides $237,000 GF the first year and $316,000 GF the second year and 3 positions to support workload increases in the

Department's Food Safety and Security Program related to the establishment of an adult-use retail cannabis market.

- **Address Metrology Laboratory Funding**. Provides $193,000 GF each year to support 2 existing positions in the Office of Weights and Measures that are not fully supported by usage fees.

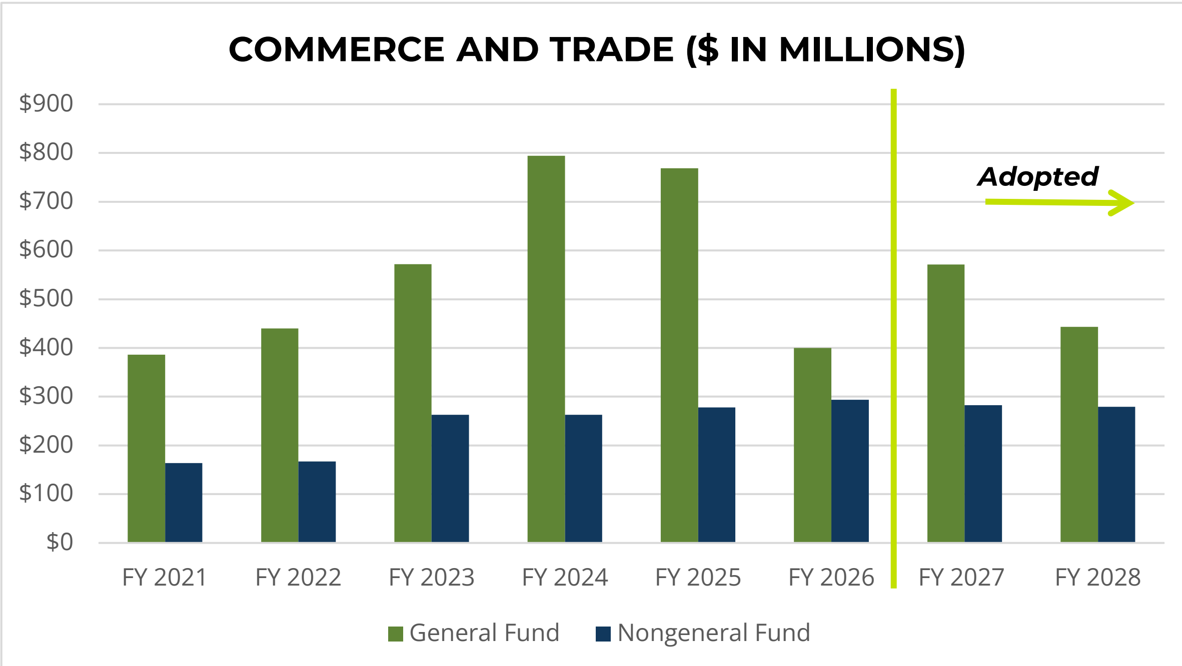
Department of Forestry

- **Cooperative Agreement with U.S. Forest Service.** Proposes $425,000 in FY 2027 and $290,000 in FY 2028 from nongeneral funds and 3 positions to support participation in a ten-year cooperative agreement with the U.S. Forest Service for activities such as trail maintenance, arborist work, and infrastructure work across state parks and adjacent federal lands.
- **Firefighting Equipment.** Proposes $200,000 GF each year for the purchases of wildfire response vehicles and equipment through the Master Equipment Lease Program.

Virginia Racing Commission

- **Shenandoah County Foundation and Great Meadow Foundation.** Includes $1.0 million GF each year to support racing and equine events of the Shenandoah Agricultural Foundation and Great Meadow Foundation.

Commerce and Trade



Most of the funding provided through the Commerce and Trade Secretariat is discretionary in nature with initiatives designed to drive state revenues through job growth or visitation, or develop community infrastructure and assets, such as housing and broadband. Spending growth in this area tends to correspond with state revenue growth since initiatives like the Virginia Business Ready Sites program, the Virginia Housing Trust Fund, and the Virginia Telecommunications Initiative can easily be scaled to accommodate one-time infusions of cash. For example, FY 2023 through FY 2025 included a $234.0 million investment in the Virginia Business Ready Sites program, $75.0 million for the state to acquire an economic development site, and $127.7 million for life sciences related initiatives, causing record levels of general fund spending in this area.

Virginia Economic Development Partnership

- **Custom Performance Grants.** Chapter 1 includes $53.7 million in additional resources to support major economic development projects that have been reviewed and approved by the MEI Commission. The state pays for these projects over several years with constant adjustments to the funding provided in the budget to correspond with company performance. The table below shows required spending on these projects in each year of the biennium.

Economic Development Project ($ in Millions)	FY 2027	FY 2028
AWS: Cloud Computing Cluster Infrastructure Grant Fund	$0.0	$7.7
Wells Fargo: Financial Services Expansion Grant Fund	1.4	1.5

Economic Development Project ($ in Millions)	FY 2027	FY 2028
Micron: Current and Mature Semiconductor Technology Grant Fund	1.4	4.5
Microporous: Lithium-Ion Battery Separator Manufacturing Grant Fund	0.7	0.9
Lego: Precision Plastics Manufacturing Grant Fund	5.9	7.5
Eli Lilly: Active Pharmaceutical Ingredient Manufacturing Grant Fund (HB 800 | SB 404)	0.5	2.6
Hitachi: Power Transformer Manufacturing Grant Fund (HB 799 | SB 403)	0.3	3.7
AstraZenca: Pharmaceutical Substance Manufacturing Grant Fund (HB 1076 | SB 527)	2.8	10.0
Project Volare: Solid Rocket Motor Manufacturing Grant Fund (HB 1531 | SB 835)	0.0	2.3
Total	**$13.0**	**$40.7**

These projects are funded in Economic Development Incentive Payments and are administered by the Virginia Economic Development Partnership Authority.

- **Virginia Business Ready Sites.** Provides an additional $10.0 million in one-time support in FY 2027 for this economic development program, bringing total biennial support to $50.0 million.

- **InternshipsVA.** Adds $500,000 in each year for the InternshipsVA program managed by VEDP, bringing total annual support to $6.5 million. This program is dedicated to recruiting Virginia employers to offer internship opportunities to Virginia college students. Budget language directs $500,000 of these new resources in the first year to the MOVE Chamber to place student interns with minority companies.

- **Development of a Fast-Acting Insulin.** Provides an additional $1.5 million for a non-profit company to develop a fast-acting insulin in Petersburg, Virginia, bringing total state support for the project to $4.5 million. Budget language requires the company to enter into an MOU with VEDP in order to receive the funds.

- **Capture Interest Earnings.** Reduces VEDP's base budget by $1.6 million over the biennium to reflect interest earned on state general funds. All Authorities manage monthly general fund disbursements separately from state bank accounts and as a result receive the benefit of accruing interest on state resources.

Department of Housing and Community Development

- **Virginia Housing Trust Fund.** Provides an additional $40.0 million in FY 2027 for the Virginia Housing Trust Fund, which provides gap financing for low-income housing projects and resources for homelessness prevention and reduction services. These additional resources bring total biennial investment for this Fund to $215.0 million.

- **New Mixed Income Housing Pilot.** Provides $20.0 million in FY 2027 to capitalize a new mixed income housing development pilot program authorized in Chapters 1012, 1072, and 1037, 2026 Acts of Assembly.

- **Weatherization.** Directs $25.0 million of unobligated balances from the Regional Greenhouse Gas Initiative to implement the forthcoming recommendations of the Income-Qualified Energy Efficiency and Weatherization Task Force.

- **Increase for Virginia Eviction Reduction Program**. Adds $11.5 million in FY 2027 to the Virginia Eviction Reduction Program, bringing total biennial resources for this program to $18.5 million.

- **Homelessness Reduction.** Increases homelessness services funding in FY 2027 by $14.0 million. Budget language dedicates $7.0 million of these new resources to a transitional housing facility in Charlottesville, Virginia. Currently, dedicated homelessness services funding has a base budget of $1.8 million per year.

- **Enterprise Zone Grant Program.** Adjusts funding for the Enterprise Zone Grant Program to $14.3 million in each year of the biennium to reflect program utilization. A companion amendment to Chapter 7, 2026 Acts of Assembly reverts approximately $9.0 million of unobligated funds.

- **GO Virginia Program.** Adjusts funding for the GO Virginia program's competitive grant award from $10.9 million to $6.2 million in each year of the biennium. This budget amendment does not affect the per capita funding allocated to each GO Virginia region. A companion amendment to Chapter 7, 2026 Acts of Assembly reverts approximately $10.0 million of unobligated funds from this economic development program.

- **Virginia Main Street program.** Adds $720,000 over the biennium in new resources for the Virginia Main Street program, bringing total annual support for this program to just under $1.0 million. Budget language adjustments allow up to 40% of Virginia Main Street resources to be dedicated to program staff versus a previously authorized 2%.

Virginia Energy

- **Clean Energy Innovation Bank.** Provides $10.0 million to re-capitalize the Virginia Clean Energy Innovation Bank. In 2025, Virginia started a Clean Energy Innovation Bank using $10.0 million in state general fund support and $27.6 million generated through the sale of Renewable Energy Certificates by the Department of Energy. Actions taken in Chapter 7, 2026 Acts of Assembly and administratively by the Department of Planning and Budget reverted $9.9 million of these resources. The adopted amendment restores this reverted funding.
- **Solar Interconnection Grant Program.** Provides $2.0 million in FY 2027 to capitalize the Solar Interconnection Fund to assist schools with the cost of connecting solar projects to the electric grid.

Virginia Tourism Authority

- **Virginia Sports Tourism Grant Program.** Provides $5.0 million in FY 2027 to support this program designed to recruit sports tournaments to host their events in Virginia. A bill to create this program passed in the 2025 General Assembly Session. Budget language directs $3.5 million of these resources to promote two golf tournaments in the state.
- **Governor's New Airline Service Fund.** Provides $200,000 in each year of the biennium to support this economic development grant program designed to increase passenger service at small Virginia airports. This is a change from previous annual funding of $825,000. Budget language increases the maximum grant awards for international service originating from Virginia airports to $500,000 for year-round service and $300,000 for seasonable service. There is approximately $4.6 million available for this program from previous appropriations.
- **Targeted Media Campaign.** Provides $1.5 million in each year of the biennium for the Virginia Tourism Authority to launch a media campaign targeted to recruiting travelers to the state from Black, Indigenous, and Hispanic communities.
- **Capture Interest Earnings.** Reduces Virginia Tourism's base budget by $700,000 over the biennium to reflect interest earned on state general funds. All Authorities manage monthly general fund disbursements separately from state bank accounts and as a result receive the benefit of accruing interest on state resources.

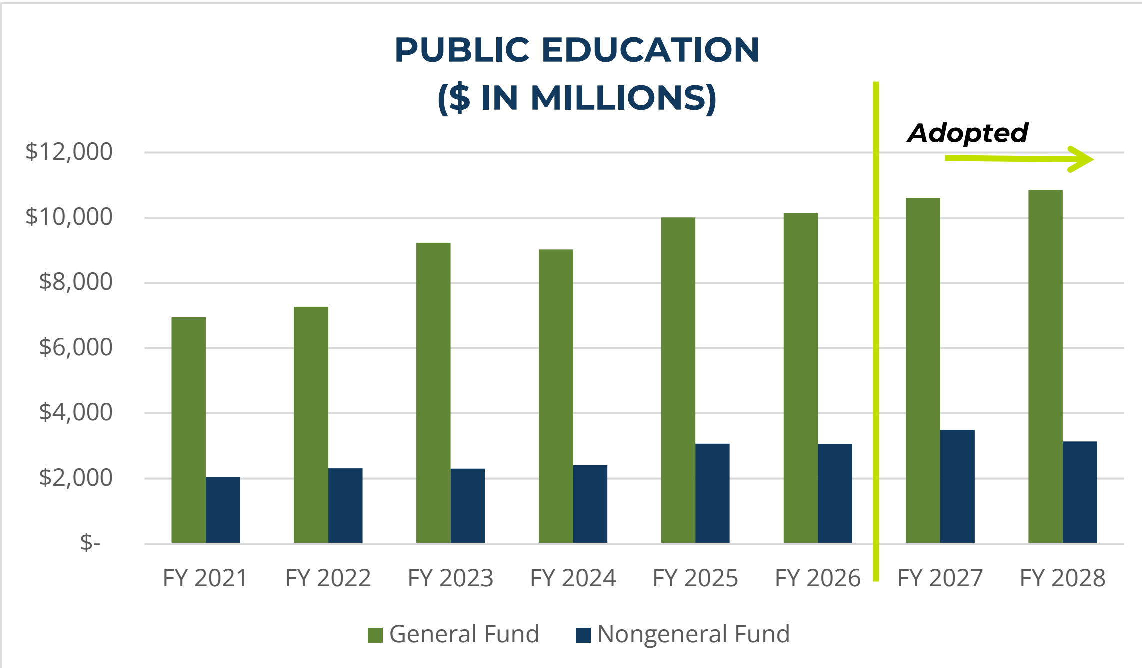
Fort Monroe Authority

- **Capture Interest Earnings.** Reduces Fort Monroe's base budget by $200,000 over the biennium to reflect interest earned on state general funds. All Authorities manage monthly general fund disbursements separately from state bank accounts and as a result receive the benefit of accruing interest on state resources.

Virginia Innovation Partnership Authority

- **UVA's Institute for Biotechnology.** Provides $3.0 million in FY 2027 to support UVA's Institute for Biotechnology by using state funds to incentivize the recruitment of research faculty to the Commonwealth. Budget language allows previous and new funding to help with the completion of the building, which will cost an estimated $180.0 million. The Commonwealth has supported this Institute with $112.5 million of state general and nongeneral funds.
- **Virginia Tech Patient Research Center.** Provides $6.0 million in FY 2027 to support Virginia Tech's Patient Research Center. These new resources will allow for the development of a research team focused on cancer. Previous funding for the Patient Research Center totals $30.5 million from general and nongeneral funds, which has been used to retrofit leased space at the Carilion Clinic and hire teams focused on neuroscience and cardiovascular research.
- **Medicines for All Institute at VCU.** Provides $3.0 million in FY 2027 to support the creation of a scale-up facility at the Medicines for All Institute at Virginia Commonwealth University. Previous funding for the Medicines for All Institute totals $18.0 million from general and nongeneral funds, which has been used to retrofit leased space at the Civica plant in Petersburg, Virginia and to recruit researchers to work on improvements to pharmaceutical development and manufacturing.
- **Capture Interest Earnings.** Reduces VIPA's base budget by $1.4 million over the biennium to reflect interest earned on state general funds. All Authorities manage monthly general fund disbursements separately from state bank accounts and as a result receive the benefit of accruing interest on state resources.

Public Education



The adopted 2026-28 budget for Early Childhood and K-12 Education results in a net increase of $1.4 billion GF, when compared to the Chapter 725 appropriation, an average 3.9% annual increase throughout the upcoming biennium. In addition, the budget adds $584.6 million in nongeneral funds above the current appropriation. Including both general and nongeneral funds, the total increase is $2.0 billion.

General fund spending on Public Education has grown an average of 8.4% annually between FY 2021 and FY 2026. This area now encompasses 31% of all state general fund operating expenditures.

Technical updates, including 2026-28 rebenchmarking, increase spending by $455.2 million GF over the biennium. Policy changes increase spending by $960.0 GF and $602.0 million NGF, for a total of $1.6 billion in new spending. Major policy initiatives include $770.8 million GF for compensation increases, $158.4 million GF in additional support for special education, $137.6 million GF for additional childcare subsidy slots, and $299.0 million NGF in additional school construction funds.

State's Share of Biennial Rebenchmarking for K-12 Programs

As part of the biennial budget development process, the Department of Education updates, or rebenchmarks, the total cost of maintaining a public education system to meet the Standards of Quality and costs for other K-12 programs. These updates are based primarily on student enrollment projections and historic cost data reported by school divisions. Sales tax and lottery projections also impact rebenchmarking, as those revenues are used to offset a portion of the total costs.

These costs are shared between the state and localities, based on the Local Composite Index of Ability to Pay, or LCI, which is also updated during the rebenchmarking process.

Overall, 2026-2028 biennial rebenchmarking costs result in a net increase of $449.7 million GF. For comparison, the impacts of the last three biennial rebenchmarking updates were $969.0 million GF for 2024-26, $29.1 million GF for 2022-24, and $851.8 million for 2020-22.

Cost Increases

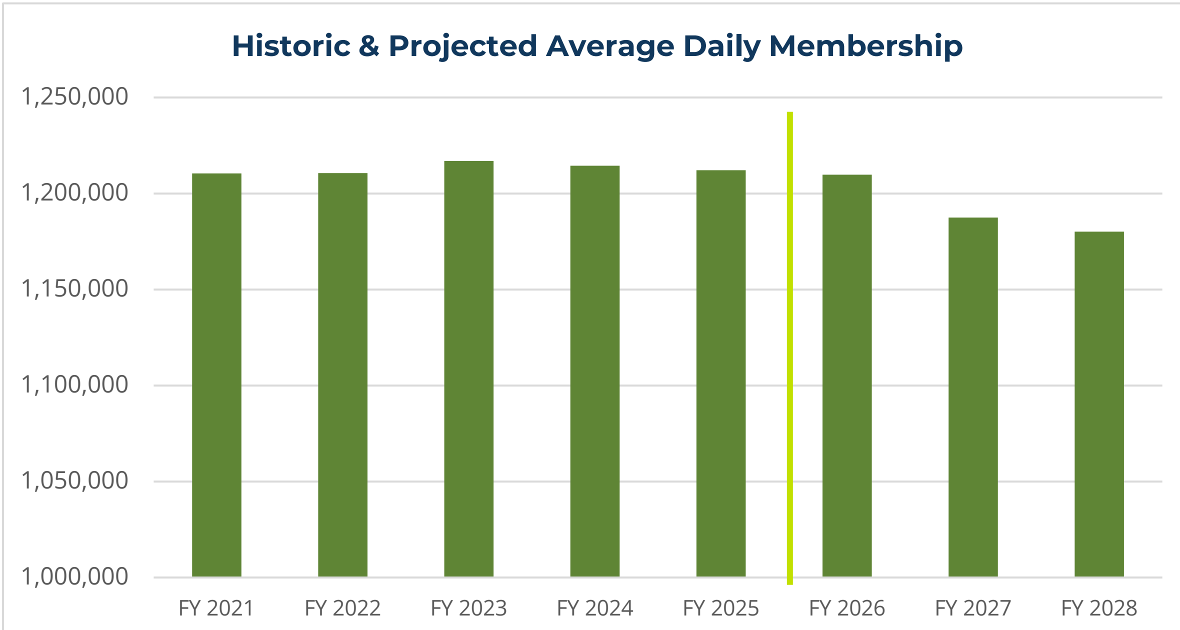
Rebenchmarking estimates reveal about $1.2 billion in additional Direct Aid costs during the 2026-28 biennium. Drivers contributing to these additional costs include:

- **Update Ancillary SOQ Costs.** A $530.7 million increase over the biennium to update expenditures reported by school divisions from FY 2022 to FY 2024 for non-personnel support costs such as supplies, equipment, maintenance and operations, and utilities. Ancillary cost areas experiencing the greatest cost increases include classroom instruction, utilities, and maintenance.
- **Students Requiring Additional Support.** A $228.9 million increase over the biennium to update costs across several programs supporting students with specific needs, including students with disabilities, English Learners, and lower income students, which are becoming a larger proportion of the student population. Of note, about one-third of this increase is associated with updated costs of the At-Risk Add on, which is funded in part based on data used to estimate the percentage of lower-income students in each school division.
- **Update SOQ Transportation Costs.** A $135.0 million increase over the biennium to update the state's share of student transportation costs.
- **Update SOQ Health Care Costs.** A $105.3 million increase over the biennium, reflecting the state's share of health care premium increases.

Cost Decreases

About $774.0 million in offsetting savings are anticipated in the 2026-2028 biennium. Major factors decreasing projected rebenchmarking costs include:

- **Enrollment Projections.** Includes a reduction of $393.0 million over the biennium, reflecting student enrollment projections estimated to total 1,187,485 in FY 2027 and 1,180,137 in FY 2028. The anticipated total expected student loss over the next biennium is 16,323 students, or 1.4%.



- **VRS Rates.** Saves $219.7 million over the biennium, reflecting a change in the employer contribution rate for teacher retirement from 14.21% to 12.20% and for retirement health insurance credit from 1.21% to 0.88%.

Policy Actions

- **4% Salary Increases in FY 2027 and FY 2028.** Includes $254.5 million GF in FY 2027 and $516.3 million GF in FY 2028 for the state's share of a 4% salary increase each year. To access the funds, school divisions must provide an average 4% salary increase each year; however, divisions may provide a lower salary increase and receive a prorated portion of the state's share of the 4% increase.

- **School Construction Assistance.** Provides an additional $274.0 million NGF in FY 2027 and $25.0 million NGF in FY 2028 for school construction assistance grants along with increasing the total to $384.0 million in FY 2027 and $135.0 million in FY 2028. This increase is supported by appropriating $77.4 million in School Construction Fund balances accumulated during FY 2026, a $25.0 million increase in projected casino gaming revenues each year, and $172.0 million in unutilized literary fund loan authorizations from the 2024-2026 biennium.

- **Special Education Add-On.** Provides $74.4 million GF in FY 2027 and $74.0 million in FY 2028 to increase the add-on to Basic Aid from 4.75% to 9.25% for special education students, and from 5.25% to 17.5% for special education students with more intense service needs.

- **Support for Students with Intensive Support Needs Application (SISNA).** Includes $10.0 million GF in FY 2027 to expand disability categories eligible for SISNA, a program that reimburses school divisions for costs associated with serving special education students with the highest level of service needs, with a goal to reduce the number of students referred to CSA-funded private day school programs. Language authorizes these funds to be carried forward into FY 2028.
- **Infrastructure and Operations Per-Pupil Funding.** Provides a one-time increase of $60.0 million in FY 2027 to increase the state share of support for these flexible funds to $510.98 per-pupil in FY 2027. In FY 2028, the per-pupil amount decreases to $422.56.
- **At-Risk Add-On.** Includes $14.5 million GF in FY 2027 and $14.4 million GF in FY 2028 to increase the maximum add-on to Basic Aid from 48% to 48.85% per estimated student identified to be at-risk.
- **School Breakfast.** Provides $8.6 million GF in FY 2027 and $9.0 million GF in FY 2028 to increase the school breakfast reimbursement rate from $0.28 to $0.50 per meal served.
- **Community Schools.** Provides a one-time increase of $5.0 million GF in FY 2027 for Community Schools Planning and Implementation Grants, for a total of $7.5 million in FY 2027 and $2.5 million in FY 2028.
- **Teacher Preparation.** Provides $2.3 million GF in FY 2027 and FY 2028 to increase support for two programs in support of preparing new teachers. This includes a $1.5 million increase in annual support for the Virginia Teacher Scholarship Loan Program and a $750,000 increase to the Richmond Teacher Residency partnership with Virginia Commonwealth University.
- **Standards of Learning Assessment Contract.** Includes a $2.4 million GF increase in FY 2027 to support additional costs associated with funding the existing statewide assessment system contract through December 31, 2027. The language provides that the appropriation shall be unallotted until the Department identifies the general fund amounts needed to support the contract extension and for the new contract.
- **Virginia Individualized Education Program (IEP) System.** Provides $1.0 million GF each year to support enhancements to the online Virginia IEP System. One-time funding supported these enhancements in FY 2025 and FY 2026.
- **Joint Subcommittee for Elementary and Secondary Education Funding.** Provides $1.0 million GF in FY 2027 and $250,000 GF in FY 2028 to provide contractual assistance for the Joint Subcommittee to develop an updated K-12 funding formula.
- **Literary Fund.** Includes $807.0 million in Literary Fund expenditures over the 2026-2028 biennium, compared to the $475.0 million for the 2024-2026 biennium. These actions include:

- *Increasing Literary Fund Resources Used to Offset GF Teacher Retirement Costs.* Increases the offset by $185.0 million in FY 2027 and $100.0 million in FY 2028, reducing the GF amounts required by a like amount.
- *Redirecting $172.0 Million in Unutilized 2024-2026 Literary Fund Loan Amounts to School Construction Assistance Grants* – As discussed above under School Construction Assistance.

- **Lottery Proceeds.** Recognize an additional $18.0 million in Lottery Proceeds in FY 2027, reducing the amount of general funds needed by the same amount. This consists of $10.0 million in anticipated residual FY 2026 revenue and $8.0 million in accumulated Lottery Proceeds Fund balances.

Early Childhood Care and Education

- **Child Care Subsidy Program Slots.** Provides $71.0 million GF in FY 2027 and $66.6 million in FY 2028 to support additional subsidy slots for eligible families with children from birth through age 5. These funds are sufficient to eliminate the program waitlist as of July 1, 2026.

- **Employee Child Care Assistance Program.** Provides $25.0 million GF in FY 2027 to initiate a three-year pilot program to share the cost of child care among the Commonwealth, employers, and eligible families making up to 100% of the state median income. Family contributions would be capped at 7% of family income and state contributions shall not exceed 40% of the remaining costs, with employers contributing the remainder of costs.

Higher Education

The adopted 2026-28 budget includes a net biennial increase of $421.1 million in new GF spending. Technical adjustments to the biennial budget total about $321.0 million, largely reflecting distribution of central account funding already contained in Chapter 725, primarily for salary increases and annualization of costs.

Major New Higher Education Funding

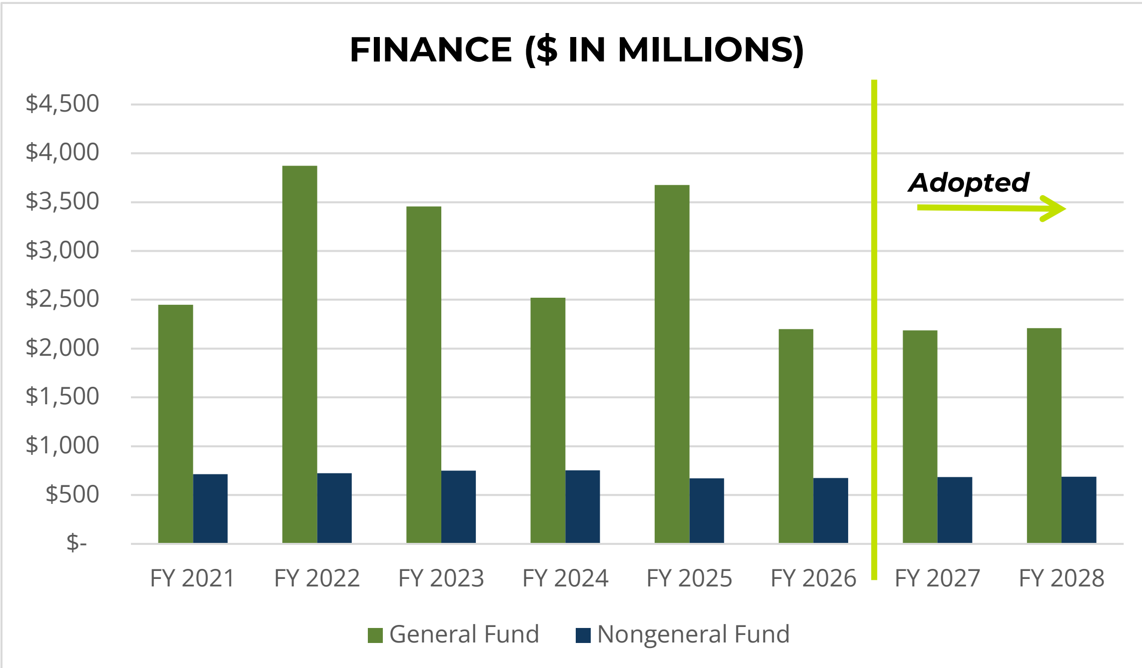
- **Access and Affordability.** Provides $148.3 million GF over the biennium to maintain affordability and access goals at public colleges and universities allowing institutions to limit in-state undergraduate tuition increases.
  - This includes $18.3 million for general operating support, operation and maintenance of new buildings as well as $20.0 million in the first year to address enrollment projection issues.
- **Student Financial Assistance.** Provides $65.0 million GF over the biennium or undergraduate financial aid. In addition, $15.4 million GF over the biennium is provided for the Virginia Tuition Assistance Grant (VTAG) to maintain the $5,250 FY 2026 award level and $3.6 million is designated for supplemental awards up to $2,000 for VTAG-eligible students at the Hispanic Serving Institution.
- **HBCU Public-Private Partnerships.** Designates $50.0 million GF over the biennium to support HBCUs in a public-private partnership to improve health outcomes of vulnerable and marginalized populations in their surrounding localities through research, education, workforce development and outreach.
- **Workforce Development**. Provides $49.4 million GF over the biennium to enhance workforce development efforts. This includes:
  - $20.0 million the first year for the expansion of career technical education programs and workforce development across the Virginia Community College System (VCCS) (VCCS) in order to serve an additional 900 students in Nursing, Dental Hygiene, Radiography/Sonography, EMT/Paramedics, Medical Laboratory Technician, Respiratory Therapy, Licensed Practical Nursing, Medical Assisting, Surgical Technology, Patient Care Technology, Behavioral Health Technology, MRI Technician, and Physical Therapy. The funding will also allow for the expansion of capacity to serve an additional 1,000 students in programs for heavy equipment operators, diesel technicians, industrial maintenance, marine pipefitting, welding, marine electrical, power line workers, diesel repair, HVAC, fiber technicians, and commercial driving licenses.
  - $25.7 million at the State Council of Higher Education for Virginia (SCHEV) for the New Economy Workforce Credential Grant Program.

- **Health Professions Enrollment**. Provides $24.9 million GF to support increasing the number of doctors and nursing graduates.
- **State Council of Higher Education.** Provides $41.9 million GF over the biennium primarily for the continuation of the $20.0 million annual increase to offset the impact of waiver programs such as VMSDEP at public colleges and universities.
- **Institution-Specific Initiatives.** Provides $12.1 million for targeted investments at public institutions including upgrades to academic, administrative & financial systems ($6.0 million).
- **VIMS, Extension and Higher Education Center.** Designates $10.5 million for support of VIMS, Extension, and Higher Education Centers including restoration of $3.2 million GF second year funding for the West Piedmont Higher Education Center, formerly New College Institute and $2.0 million at VIMS to support Atlantic menhaden research efforts.

Higher Education Policy

- **University of Mary Washington & Mary Washington Healthcare Public-Private Partnership.** Provides funding to plan for the establishment of the Mary Washington College of Medicine through a public-private partnership between the University of Mary Washington and Mary Washington Healthcare.
- **International Students.** Requires an impact analysis of the decline in international student enrollment at four-year colleges and universities in the Commonwealth and the development of recommendations to address such impacts.
- **Intercollegiate Athletics.** Requires the Joint Legislative Audit and Review Commission to review the provisions of § 23.1-1309 to evaluate approaches taken by other states to create sustainable funding models for intercollegiate athletics; assess the local, regional, and statewide economic impact of college athletics; consider the impact of the provisions of § 23.1-1309 on intercollegiate athletics in the Commonwealth in light of evolving trends in intercollegiate athletics; and, assess the impact of federal regulatory or legislative proposals on college athletics in the Commonwealth.

Finance



General fund spending in 2026-28 budget for the Finance Secretariat is approximately 25% lower than the prior biennium, largely due to a one-time GF tax rebate provided in FY 2025. Such GF fluctuations in the Finance Secretariat are common and can be seen in the GF trajectory since FY 2021 due to one-time actions such as tax rebates or statutory deposits to and/or distributions from the state's revenue reserve funds.

Department of Accounts

- **Provide Funding for IT Enhancements.** Includes $1.3 million GF the first year and $148,000 GF the second year to replace IT programs and expand annual reporting automation for the Annual Comprehensive Financial Report (ACFR).
- **Adjust NGF Internal Service Fund Appropriations for Statewide Services.** Includes $8.3 million NGF the first year and $10.8 million NGF the second year for increased internal service fund expenditures anticipated for Cardinal Financials, Cardinal Human Capital Management, and the Performance Budgeting System.

Department of Taxation

- **Conduct Review of Property Tax Exemptions.** Establishes a workgroup to analyze the rising cost on local governments of mandatory property tax exemptions for disabled veterans and their families, with a report due to the House and Senate money committees by November 15, 2026.

- **Improve Agency Security and Outreach.** Includes $911,274 GF the first year and $691,274 GF the second year for in-house cybersecurity initiatives and to develop and administer a technology platform to streamline communications between the Department and localities.

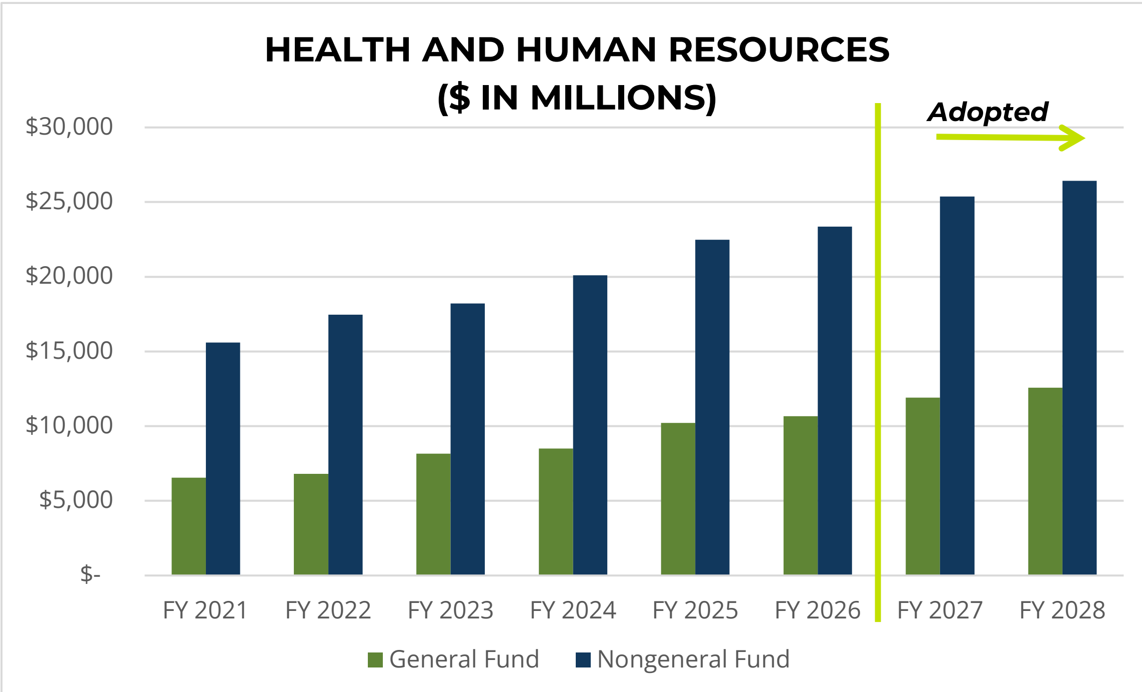
Department of Treasury

- **Wrongful Incarceration Compensation.** Provides $1.3 million GF the first year for a claim payment pursuant to Chapter 472 (HB 1472). Also includes language directing a full payout of remaining annuity amounts owed to a prior wrongful incarceration claimant.
- **Enhance Agency IT and Cybersecurity.** Includes $650,368 GF each year, $797,192 NGF each year, and five positions to build IT tools and security software to improve the agency's cyber position.

Treasury Board

- **Increase Allocation for Mandatory Debt Service.** Provides $20.0 million GF the first year and $47.9 million GF the second year to reflect updated debt service payments owed on bond issuances.

Health and Human Resources



Chapter 1, 2026 Acts of Assembly, Special Session 1 includes a net increase of almost $3.1 billion GF and $5.1 billion NGF for the 2026-28 biennial budget for Health and Human Resources (HHR), representing 17% growth in biennial General Fund resources committed to HHR. The adopted budget includes $3.6 billion in new General Fund spending, offset by $500 million in savings. Most of the general fund increases are due to revised expenditure forecasts for mandatory programs such as Medicaid, the children's health insurance programs, and the Children's Services Act (CSA).

Major spending actions contained in the amended budget include:

HHR Major Spending Proposed (GF $ in millions)		
Description	**FY 2027**	**FY 2028**
Medicaid utilization and inflation forecast	$1,073.6	$1,697.8
CSA caseload and cost increases	49.6	86.5
SNAP Benefit Allotments State Cost Share	0	135.0
SNAP Administrative Costs	43.0	57.4
Medicaid Personal Care Rate Increase	20.5	74.9
Virginia Health Care Fund (Medicaid program)	41.5	52.2
Children's Health Insurance forecasts (M-CHIP and FAMIS)	29.6	55.2
Medicaid Developmental Disability Waiver Rate Increase	38.6	43.1
Drinking Water Project Grants	50.0	0
Nursing Home Reimbursement	35.0	
Total	**$1,381.4**	**$2,202.1**

Children's Services Act

- **Fund the Children's Services Act Forecast.** Provides $49.6 million GF and $14.0 million NGF in FY 2027 and $86.5 million GF and $16.0 million NGF in FY 2028 to fund the projected growth in services provided through the Children's Services Act. This addition brings the FY 2027 total to $440.9 million GF and $475.4 million GF in FY 2028. While caseload only increased by 1% in FY 2025, overall expenditures increased by 11% as the cost per child receiving services increased by 10%. Expenditures are expected to continue to increase by 8.1% in FY 2027 and 7.6% in FY 2028. Private day and community-based services are the largest drivers in the growth of overall CSA cost.
- **Reduce Community-Based Services Match Rate.** Removes $10.8 million GF in FY 2027 and $11.8 million GF in FY 2028 by reducing the average state match rate for community-based services provided through the Children's Services Act from 81% to 71% beginning in FY 2027.
- **Limit Private Day Services Growth Rate to 2.5%.** Removes $3.4 million GF in FY 2027 and $3.7 million GF in FY 2028 by limiting the increase in state reimbursement for the cost of private day services to no more than 2.5% beginning in FY 2027 to help contain unprecedented expenditure growth in the program.
- **Eliminates Automatic Inflationary Adjustments for Residential Treatment Providers.** Removes $1.3 million GF and $2.3 million NGF in FY 2027 and $2.4 million GF and $4.3 million NGF in FY 2028 to reflect the elimination of automatic inflationary adjustments in the state Medicaid rates for private residential treatment facilities.

Department of Health

- **Fund Core Public Health Services.** The adopted budget provides $15.2 million GF the first year and $17.2 million GF the second year and $578,702 NGF each year and 16 positions to provide core public health services, as noted below:
  - $5.8 million in FY 2027 and $6.1 million in FY 2028 to maintain epidemiological response capacity and preparedness, support state epidemiology positions, and strengthen the ability to identify, track, and stop infectious disease outbreaks
  - $1.0 million each year for eight medical facility inspectors to address the backlog of complaints against nursing homes
  - $2.2 million GF and $578,702 NGF each year for 8 community health services positions
  - $6.2 million in FY 2027 and $7.9 million in FY 2028 to maintain public health systems, cloud infrastructure, and cybersecurity
- **Fund Electronic Health Records System.** The adopted budget includes $8.2 million in FY 2027 and $6.8 million GF in FY 2028 to complete and sustain the ongoing operation of an electronic health record (EHR) system. The first year cost will provide functionality across all

34 local health districts and pay for testing, training, data migration, project management, system security, and support 18 positions. Full implementation is projected to be complete by February 28, 2027. The second year funding will cover ongoing costs for positions, software licenses, equipment and other costs.

- **Restore Reductions to the Ryan White HIV/AIDS Program.** Adds $6.6 million GF each year of the biennium to backfill the anticipated loss of funding for the Ryan White HIV/AIDS Part B for Grant Year 2026 (April 1, 2026 to March 1, 2027) and Grant Year 2027 (April 1, 2027 to March 1, 2028). Funds will restore critical HIV-related medical and supportive services, and prevent disruptions in access to life-saving medications for Virginians living with HIV. Language requires the Department of Health to report on program funding annually by December 1 and submit a final report by June 30, 2028.

- **Increase Funding for Free Clinics and Federally Qualified Health Centers.** The adopted budget provides $5.0 million GF each year over the biennium for free clinics that are members of the Virginia Association of Free and Charitable Clinics. Additionally, the adopted budget provides $5.0 million GF in FY 2027 to the Virginia Community Healthcare Association for Federally Qualified Health Centers. Funding will be used to provide health and behavioral health care services to uninsured and underinsured patients.

- **Funding for Contraceptive and Prevention Services.** Restores $4.0 million GF annually to maintain access to long-acting reversible contraceptives and other FDA-approved contraceptives. The introduced budget had supplanted this amount from the general fund with funding from the federal Temporary Assistance to Needy Families (TANF) Block Grant. The adopted budget also adds $600,000 GF annually to provide grants to organizations offering preventative care, including sexually transmitted infection testing and cancer screening.

- **Reflect Rent Increases at Local Health Department Facilities.** Provides $655,913 GF and $423,335 NGF each year to support local health districts that are expecting cost increases due to moving to new facilities or rent increases. The funding would cover increases for the following local health departments: Cities of Alexandria, Richmond, Roanoke, and Virginia Beach; and the following health districts: West Piedmont, Eastern Shore, New River, Lord Fairfax, Central Shenandoah, Prince William, Chickahominy, Henrico, Piedmont, Mount Rogers, and Southside.

- **Office of the Chief Medical Examiner (OCME) Investigation of Sudden Unexpected Death in Epilepsy.** Adds $142,671 GF and 1 position each year for the OCME to investigate cases of Sudden Unexpected Death in Epilepsy (SUDEP). It also requires OCME to publish resources with information on SUDEP and a SUDEP death investigation form on its website.

- **Reflect Legislative Changes to the Vital Record Fee and Distribution of Funding.** Appropriates $4.8 million each year from nongeneral funds generated from the increase in the fee for vital records from $12.00 to $15.00. The adopted budget also modifies budget language to reflect this fee change and the distribution of funding pursuant to Chapter 616 (House Bill 450), 2026 Acts of Assembly.

- **Fund Data Updates for the Transmission of Death Data.** Adds $95,197 GF each year of the biennium for the State Registrar to update its transmission of death data to the Department of Elections pursuant to the provisions of Chapter 1120 (House Bill 972), 2026 Acts of Assembly.

Drinking Water

- **Fund Grants for Drinking Water Projects.** Provides $50.0 million GF in FY 2027 for the one-time grants to localities to upgrade or replace existing drinking water infrastructure. Language allocates no less than $20.0 million to the City of Richmond and requires the agency to give priority consideration for the use of remaining funds to the Towns of Orange, Jarratt, and Blackstone. Language also directs that priority consideration be given to Fairfax County to provide assistance for local governments and well owners to connect to the public surface water systems. This amendment establishes the Richmond Regional Water Workgroup to oversee drinking water grants in the City of Richmond.

  Language also provides authority for the agency to carry forward FY 2026 balances for drinking water grant offers made with funding provided in Chapter 725, 2025 Acts of Assembly.

- **Reduce Excess General Fund Match for Drinking Water Projects.** Removes $4.5 million GF the second year from the Office of Drinking Water. The General Fund amount is used as a state match to draw down federal Drinking Water State Revolving Funds, however, the match requirement for the grant will be fulfilled on June 30, 2027, without the additional funding. A total of $19.1 million GF the first year and $14.6 million GF the second year will be available to support the Office of Drinking Water operations.

Sickle Cell Disease Services

- **Sickle Cell Coordinated Access Network.** Provides $1.8 million GF in FY 2028 to establish and maintain the Sickle Cell Coordinated Access Network, pursuant to Chapters 838 and 839 (House Bill 1391/Senate Bill 813), 2026 Acts of Assembly. Funding will enable the Network to ensure that sickle cell specialists are available to provide telehealth consultations with health care providers treating individuals with sickle cell trait and sickle cell disease across the Commonwealth.

- **Sickle Cell Trait Awareness and Education Program.** Adds $328,230 GF in FY 2027 and $372,230 GF in FY 2028 and 1 position, pursuant to Chapter 846 (House Bill 1418), 2026

Session of the General Assembly, which establishes the Sickle Cell Trait Awareness and Education Program to raise public awareness and provide education on sickle cell trait.

- **Adult and Pediatric Sickle Cell Programs.** Provides $890,000 each year over the biennium for the comprehensive adult and pediatric programs for sickle cell disease. This additional funding brings the annual funding for these programs to $2.2 million GF.

Maternal and Child Health Services

- **Perinatal Health Hub Pilot Program.** Provides $2.5 million GF in the first year to continue implementation of the perinatal health hubs pilot development which was initiated in FY 2026. Funding for this pilot had been removed in the introduced budget. Initial funding provided in Chapter 725, 2025 Acts of Assembly was intended to be used to support two-year grant awards to pilot sites by community-based organizations to improve perinatal outcomes and reduce maternal and infant mortality in their communities. This funding will extend the pilot program into its second year of implementation.

- **Maternal Infant Early Childhood Home Visiting Program.** Provides $300,000 GF and $900,000 NGF in FY 2027 and $900,000 GF and $2.7 million NGF in FY 2028 for the Maternal Infant Early Childhood Home Visiting program. This is an evidence-based program that provides critical home-based services for expectant and new parents in at-risk communities throughout Virginia. The federal program requires a 25% match to access Virginia's formula-based allocation of federal funding.
- **Severe Maternal Morbidity Surveillance and Review Program.** Adds $260,840 GF the first year and $313,000 GF the second year to establish the Severe Maternal Morbidity Surveillance and Review Program to identify, analyze, and review instances of severe maternal morbidity, pursuant to Chapter 842 (House Bill 1403), 2026 Acts of Assembly.

Other Actions

- **All Payer Claims Database.** Provides $3.1 million NGF each year for Virginia’s All Payer Claims Database by allowing $1.0 million GF in existing appropriations to be used to draw down federal matching dollars for Medicaid. Additional dollars generated will cover increased vendor costs and additional analytic support for state agency and private users and shall be limited to only Medicaid-eligible costs.

- **Adler Hospice Center.** Adds $600,000 GF in FY 2027 for the Adler Inpatient Hospice Center in Aldie, Virginia, to provide additional critical inpatient hospice and palliative services to terminally ill Virginians who cannot be served in a home setting.

- **Extend Northern Virginia Firefighter Occupational Cancer Screening Pilot Program.** Adds $570,000 GF in FY 2027 to extend the Northern Virginia Firefighter Occupational Cancer Screening Pilot program for one year, bringing the total funding to $1.0 million. The adopted budget reduces funding of $430,000 GF in FY 2028 due to the expected completion of the pilot program.

- **Expand Healthier757 Initiative.** Provides $500,000 GF each year to expand the Healthier757 initiative and launch the initiative in the Richmond, Virginia area, to be named HealthierRVA. This initiative is a community-based program that provides an interactive digital health platform to promote health and wellness through awareness, communication, education, engagement, and behavior change.

- **Transfer Opioid Overdose Reversal Agent Program to the Virginia Innovation Partnership Authority (VIPA).** Transfers the Opioid Overdose Reversal Agent Program from the Department of Health to VIPA along with funding of $8.0 million each year from the Commonwealth Opioid Abatement and Remediation Fund. The goal of the program is to provide a long-term, sustainable supply of opioid overdose reversal agent to help combat Virginia's opioid epidemic, provide pricing stability and increase access to this medication.

- **Nursing Facility Change in Operator License.** Provides $250,000 GF the first year to implement the provisions of Chapters 414 and 415 (House Bill 717/Senate Bill 247), 2026 Acts of Assembly, which requires an application by a nursing home to the Commissioner of Health for a change of operator license when a change of ownership or management occurs. One-time funding would allow the VDH Office of Licensure and Certification to update an existing portal.

- **Strategic Plan for Opioid Response Efforts.** Adds $105,115 each year from the Commonwealth Opioid Abatement and Remediation Fund for the development of a strategic plan for opioid response to reduce rates of drug overdose and drug overdose deaths in the Commonwealth pursuant to the provisions of Chapters 667 and 668 (House Bill 794/Senate Bill 308), 2026 Acts of Assembly.

- **Fund Rx Partnership.** Adds $50,000 GF each year for the Virginia Health Care Foundation to contract with the Rx Partnership to improve access to medications for low-income Virginians. Funding will help efforts to minimize the loss of access to key brand medications and cover the increasing cost of generic medications.

- **Funds ETSI Health Clinic.** Provides $50,000 GF each year for the ETSI Health Clinic in Portsmouth, Virginia.

- **Provide NGF Matching Funds for the Task Force on Primary Care.** Adds $326,700 NGF each year from federal Medicaid matching funds for the Virginia Center for Health Innovation to run the Virginia Task Force on Primary Care. Currently, the Department of Health (VDH) receives $816,750 from the general fund each year to contract with the Virginia Center for Health Innovation, which qualifies for federal matching funds. This amendment would grant the Department of Medical Assistance Services the authority to modify the existing interagency agreement with VDH to allow for the draw down of federal Medicaid funds.

Language

- **Transfer Authority for Nursing Programs and Health Workforce Data.** The adopted budget adds language transferring the authority of the administration of the nursing workforce incentive programs and health workforce data to the Virginia Health Workforce Development Authority. Language designates the funding of $9.6 million annually for these programs.
- **Behavioral Health Loan Repayment Program Balances**. Adds language requiring the transfer of $5.0 million GF from the FY 2026 unspent balance in the Behavioral Health Loan Repayment program to the general fund.
- **Eliminate Carryforward Language for the Office of the Chief Medical Examiner.** Removes language allowing the Office of the Chief Medical Examiner to carry forward general fund appropriation for salaries or unfilled positions.
- **Funding for Abortion Services.** The adopted budget restores language contained in Part 4 of the Chapter 725, 2025 Acts of Assembly to allow funding for abortions covered pursuant to state statute, as well as federal statute.
- **Childhood Immunization Workgroup.** Adds language directing the Department of Health to establish a workgroup on childhood immunization schedules and immunizations for public health emergencies and to collaborate with the Department of Medical Assistance, the Bureau of Insurance, and the Association of Health Plans to create recommendations to improve the availability and affordability of vaccines with respect to insurance coverage. Language requires the workgroup to report to the General Assembly by November 1, 2026.
- **Vaccine Clarification.** Adds language to permit pharmacists to continue to administer new influenza and COVID-19 vaccines approved by the United States Food and Drug Administration on a temporary basis through June 30, 2027.

Department of Health Professions

- **Fund the Impact of Legislation.** Provides $254,900 NGF and 2 positions each year to fund the provisions of Chapters 439 and 440 (House Bill 970/Senate Bill 178) and Chapters 450 and 451 (House Bill 1147/Senate Bill 22) which address clinical experience of dental assistants and continuing education of all health practitioners to reduce bias in health care as a condition for license renewal.
- **Treasury Loan To Minimize Fee Increases**. Adds language providing authority for a Treasury Loan to the Department of Health Professions to cover the increased costs of

operating health regulatory boards and minimize the impact of fee increases until a plan to adjust the fee structure of health regulatory boards can be implemented. Language requires the treasury loan to be repaid no later than June 30, 2030 with proceeds collected from increases in fees.

Department of Medical Assistance Services (DMAS)

Forecast Impacts

- **Medicaid Utilization and Inflation.** The adopted budget includes an increase of almost $1.1 billion GF and $2.3 billion NGF the first year and $1.7 billion GF and $3.6 billion NGF the second year to fund the increased costs of utilization and inflation in the Medicaid program. Total expenditures for the base Medicaid program and Medicaid expansion are expected to grow by 7.9% in FY 2027 and 6.6% in FY 2028. The growth rates reflect increases in managed care rates; enrollment growth of individuals with higher medical needs; higher utilization of services, particularly high cost services; Medicare premium increases paid on behalf of dually eligible Medicaid and Medicare enrollees; fee-for-service inpatient hospital expenses; and hospital payments for graduate medical education, indirect medical education and disproportionate share payments.
- **Virginia Health Care Fund (VHCF).** Provides $41.5 million GF in FY 2027 and $52.2 million GF in FY 2027 to offset declining revenues in the VHCF. Revenue from both tobacco taxes and pharmacy rebates are projected to be lower in FY 2027. Revenue in the VHCF is used as state match for the Medicaid program; consequently, increases in revenue offset general fund support for Medicaid and decreases require additional general fund dollars.
- **Medicaid Children's Health Insurance Program (M-CHIP) Utilization and Inflation.** The adopted budget reflects a decrease of $2.0 million GF and $5.1 million NGF the first year and an increase of $6.7 million GF and $10.5 million NGF the second year to fund the utilization and inflation costs of the M-CHIP program. While program costs are projected to increase by 3.7% in FY 2027 and 7.4% in FY 2028, the number of children projected to enroll in the program declined by 5.2% in FY 2026. Federal Medicaid changes requiring state to ensure that enrollees continue to reside in Virginia and failure to complete application renewals explain some of this decline. The M-CHIP program provides services for children, ages 0 to 18, living in families with incomes between 100% and 148% of the federal poverty level.
- **Family Access to Medical Insurance Security (FAMIS) Children's Health Insurance Program.** Adds $31.6 million GF and $55.6 million NGF the first year and $48.6 million GF and $86.4 million NGF the second year to fund the utilization and inflation costs of the FAMIS program. Expenditures in the program are expected to increase by 6.5% in FY 2027 and 8.6% in FY 2028 due to growing enrollment, managed care rate increases and increases in

utilization of services. FAMIS covers children ages 0 to 18 living in families with incomes between 149% and 205% of the federal poverty level.

- **Involuntary Mental Commitments.** Reduces $1.1 million GF the first year and $2.1 million GF the second year to reflect the expenditure forecast for the cost of hospital and physician services for persons subject to an involuntary mental commitment.

GF Spending Increases

- **Increase Personal Care Rates.** Provides $20.5 million GF and $23.0 million NGF the first year and $74.9 million GF and $83.8 million NGF the second year to increase rates for agency and consumer-directed personal care, respite and companion services in Medicaid home and community-based services and the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program. This additional funding increases rates by 4% on January 1, 2027 and 3.9% on January 1, 2028.

- **Increase Developmental Disability (DD) Waiver Rates.** Adds $38.6 GF and $43.1 million NGF the first year and $43.1 million GF and $46.9 million NGF the second year to increase rates for DD Waiver services. The adopted budget increases rates for the following services in FY 2027 using the 2025 DD Waiver Rate Study conducted pursuant to the Permanent Injunction (Civil Action No. 3:12CV59-JAG): community coaching, community engagement, independent living supports, in-home support services, therapeutic consultations, and workplace assistance. The adopted budget also increases rates for the following services by 2% in FY 2027: group day support, community guide, peer monitoring, supported employment, group home residential, sponsored residential, supported living residential, shared living, and benefits planning. Finally, the adopted budget increases rates for the following services in FY 2027: 3.8% for skilled nursing provided by a Registered Nurse (RN), 4.5% for skilled nursing provided by a Licensed Practical Nurse (LPN), and 5% for private duty nursing provided by a RN or LPN.

- **Increase Funding for Nursing Facilities.** Adds $35.0 million GF and $35.0 million NGF to increase Medicaid nursing home reimbursement rates in fiscal year 2027. The adopted budget adds language providing the Department of Medical Assistance Services with the authority to implement the rate increase as an added amount to the current per diem amount received by a nursing home or specialized care facility in the Cardinal Managed Care and fee-for-service programs.

  In addition, adopted language requires DMAS to defer scheduled nursing facility rebasing and examine the methodology used to rebase Medicaid rates for nursing facilities, working with stakeholders to address methodological concerns. It requires DMAS to report annually beginning December 1, 2026 through the deferral period to the Governor, and General Assembly money and policy committees. While language does not provide authority to make changes to the reimbursement system, it does require DMAS to resume rebasing of nursing facility rates effective July 1, 2030.

- **Restores Funding for FAMIS Prenatal and Post Partum Coverage for Immigrant Persons.** The adopted budget provides $13.2 million GF and $21.4 million NGF the first year and $16.3 million GF and $26.2 million NGF the second year to restore the FAMIS Prenatal and Post Partum Coverage for immigrant persons that was proposed to be eliminated in the introduced budget. Title XXI of the federal 2009 CHIP Reauthorization Act allows states the option to pay for prenatal, labor and delivery, and postpartum care that includes care of all children who upon birth will be U.S. citizens, U.S. nationals, or qualified aliens.

- **Sickle Cell Disease Treatment.** The adopted budget adds $3.5 million GF and $3.9 million NGF each year of the biennium to provide Medicaid, Medicaid Children's Health Insurance Program (M-CHIP) and Family Access to Medical Insurance Security (FAMIS) coverage for sickle cell treatments through the Cell and Gene Therapy (CGT) Access Model, promoted by the federal Centers for Medicaid and Medicare to test innovative treatment for individuals living with rare and severe diseases. Language provides the agency with authority to unbundle the cost of the drugs from the cost of administer the drugs for such treatment.

- **Graduate Medical Education (GME) Residency Program.** Adds $2.7 million GF and $2.7 million NGF each year of the biennium for the ongoing and additional costs to fund graduate medical education. Language increases the supplemental payment to hospitals for each qualifying residency slot from $100,000 to $145,000.

  Language requires annual reporting to evaluate the state-supported residency and fellowship training programs to be submitted to the Virginia Health Workforce Development Authority (VHWDA) for inclusion in its biennial report on the programs. Language authorizes VHWDA to (i) create a technical assistance program and offer support services to residency and fellowship programs as a function of the GME program for primary care and high-need specialties targeting rural and underserved areas, and (ii) report annually on program outcomes.

- **Increase Funding for Centralized Call Center and Eligibility Operations.** Adds $2.3 million GF and $16.6 million NGF each year to cover projected costs of the CoverVA call center and the attendant centralized eligibility processing units. Nongeneral funds are composed of $1.7 million each year from the hospital assessment for the Medicaid expansion costs and $14.9 million each year in federal matching funds.

- **Implementation of a Single Medicaid Pharmacy Benefit Manager.** Adds $2.2 million GF and $7.5 million NGF the first year to reflect the initial costs of implementing a single Medicaid Pharmacy Benefit Manager (PBM), pursuant to Chapter 701, 2025 Acts of Assembly. Language requires DMAS to issue a request for proposals (RFP) for a single third-party administrator to serve as the PBM to administer all pharmacy benefits for Medicaid recipients, including those enrolled in a managed care organization with whom the Department contracts for the delivery of Medicaid pharmacy services by January 1, 2028.

- **Medicaid Program Integrity Vendor.** Adds $1.0 million GF and $1.0 million NGF the first year for DMAS to contract with a vendor to review the department's program integrity efforts, including such efforts within contracted managed care organizations.
- **Pediatric Primary Care and Early Literacy Program.** Adds $252,000 GF and $468,000 NGF each year of the biennium to contract with Reach Out and Read to implement a pilot program that promotes early literacy and parental bonding as part of routine pediatric primary care visits. Language requires the DMAS to assess the implementation of the pilot program and provide an interim report on its findings by December 1, 2028.
- **Virginia Health Care Foundation Medicaid Outreach and Enrollment.** Adds $250,000 GF and $250,000 NGF each year of the biennium to expand the Virginia Health Care Foundation's (VHCF) Project Connect, which conducts outreach and enrollment services for the Medicaid, FAMIS and CHIP programs. This will fund up to six additional outreach workers, along with additional training resources to assist eligible Virginians in navigating the new federal Medicaid eligibility requirements, pursuant to H.R.1, Public Law No. 119-21, H.R. 1, 119th Cong. (2025-2026).
- **Midwifery Workgroup.** Includes $111,841 GF the first year for the Department of Medical Assistance Services and the Virginia Department of Health to convene a workgroup to identify the barriers that prevent certain midwives licensed by the Commonwealth of Virginia from contracting with managed care organizations (MCOs) through the Medicaid Cardinal Care Program.

Medicaid Cost Containment Measures

The adopted budget captures $608.7 million GF savings and $1.5 billion NGF savings over the biennium though the implementation of Medicaid cost containment measures.

- **Eliminate Biennial Inflation for Medicaid Providers.** Captures savings of $74.0 million GF and $145.2 million NGF the first year and $164.1 million GF and $320.8 million NGF the second year by eliminating biennial inflation for Medicaid providers in FY 2027 and FY 2028. This would impact hospitals, freestanding psychiatric facilities, disproportionate share hospital payments, graduate medical education payments, nursing facilities, hospice and home health agencies. Language is added excluding the value of the withheld inflation adjustments from future inflation adjustments and rebasing of hospital and nursing facility rates.
- **Add Limits to Mobile Crisis Services and Eliminates Community Stabilization Services.** Reduces Medicaid funding by $49.7 million GF and $212.1 million NGF the first year and $58.9 million GF and $253.8 million the second year through the implementation of 2 actions

to address inappropriate utilization of services. First, it limits reimbursement of mobile crisis services by applying a four-hour limit per incident, and by modifying the mobile crisis services network to only reimburse the Department of Behavioral Health and Developmental Services (DBHDS) licensed and approved mobile crisis providers contracted with community services boards. Second, it removes Community Stabilization as a covered service. In FY 2025, Mobile Crisis Response increased by 50.1% from FY 2024, totaling $181.3 million. Community Stabilization was the first service that grew rapidly after the 2021 behavioral health redesign, reaching a total cost of $119.9 million in 7 months. This service was meant to be a temporary bridge until crisis services improvements were implemented statewide.

- **Establish Utilization Control for Applied Behavioral Analysis (ABA) Services and Workgroup to Assess Utilization and Best Practices.** Reduces $26.5 million GF and $28.3 million NGF the first year and $31.6 million GF and $33.6 million NGF the second year by requiring a diagnosis of autism spectrum disorder in order for a Medicaid enrollee to receive ABA services and limiting services to 20 hours per week. Language permits a provisional diagnosis of autism spectrum disorder for children age 5 and younger for 1 year utilizing a protocol designated by DMAS due to the difficulty in securing a final diagnosis for young children. It requires DMAS to provide guidance on required ABA documentation and coordinate periodic pre- and post-payment reviews of ABA payments. The adopted budget also establishes a workgroup to evaluate utilization and best practices regarding Medicaid ABA services.

- **Ensure Cost Efficient Payment of Managed Care Organization Administrative Costs**. Reduces spending by $22.0 million GF and $46.8 million NGF the first year and $23.8 million GF and $50.4 million NGF the second year by requiring DMAS to ensure cost efficient payment of Medicaid managed care organization (MCO) administrative costs. Language requires the DMAS to ensure its contracted actuary reviews each MCO's administrative expenses to ensure reported expenses are reasonable and benchmarked for competitiveness and efficiencies and makes appropriate adjustments to the capitation rates effective July 1, 2026.

- **Make Hourly Limits on Personal Care/Assistance Standard Across All Home and Community-Based Waivers.** Captures savings of $21.0 million GF and $22.9 million NGF the first year and $23.8 million GF and $25.8 million NGF the second year by implementing a 56-hour limit on personal care/assistance services provided under the Community Living and Family and Individual Support developmental disability waivers to mirror the 56-hour cap limit in the Commonwealth Coordinated Care Plus waiver. This change would not impact authorization of additional hours of care on an individual basis.

- **Modify Medicaid Managed Care Underwriting Provisions.** Reduces spending by $13.7 million GF and $28.0 million NGF the first year and $16.6 million GF and $33.5 million NGF the second year by lowering the assumed underwriting gain from 1.25% to 1% of Medicaid adjusted premium revenue in the development of capitations rates for the Medicaid Cardinal Care Managed Care program. Changes to the profit caps for the program beginning in fiscal year 2026, increased costs to the Medicaid program due to an increase the underwriting gain from 1% to 1.25%, contrary to provisions in the Appropriations Act (Chapter 725, 2025 Session of the General Assembly). This reverses that action and maintains the profit caps in place prior to this change.

- **Impose Limit on Medicaid Adult Dental Benefit.** Adopts a limit on Medicaid adult dental benefits of $2,000 per year per recipient to more closely align the benefit with those provided in the private sector, other states and the state employee health plan. This limit reduces spending on Medicaid adult dental services by $9.9 million GF and $41.9 million NGF the first year and $13.7 million GF and $58.1 million NGF the second year.

- **Capture Savings from a Preferred Rebate on GLP-1 Drugs.** Captures Medicaid savings of $6.5 million GF and $31.5 million NGF the first year and $19.4 million GF and $94.1 million NGF the second year from actions to leverage reductions in the cost of glucagon-like peptide-1 (GLP-1) receptor agonist and related therapies used to treat individuals with diabetes and those who fit medical criteria for assistance with weight loss. Language directs the DMAS to evaluate pharmaceutical manufacturer programs and other contracting arrangements available to state Medicaid programs that are intended to reduce the costs of these drugs and project cost savings for such programs or contracting arrangements.

- **Achieve Saving by Removing Duplicative Individuals Enrolled in Other States.** Reduces Medicaid spending by $7.0 million GF and $17.4 million NGF the first year and $4.5 million GF and $11.2 million NGF the second year by ensuring DMAS is reviewing federal and state databases frequently to verify address information to identify and remove Virginia Medicaid enrollees who have coverage in other states. This activity is mandated for all states effective January 1, 2027, pursuant to provisions in H.R. 1, 119th Congress (2025-2026).

- **Capture Savings from Projected Supplemental Rebates for Continuous Glucose Monitors and Related Supplies.** Adopts net savings of $2.4 million GF each year and $8.2 million NGF the first year and $8.1 million NGF the second year by expanding the supplemental rebate program to include continuous glucose monitors and certain diabetic supplies. Net savings includes the cost to support the administrative contract for this action totaling $100,000 each year.

- **Modify Service Facilitation Services in the Developmental Disability Waiver.** Captures savings of $2.1 million GF and $2.2 million NGF the first year and $2.2 million GF and $2.3 million NGF the second year by incorporating service facilitation into a statewide service broker model and eliminating service facilitation as a standalone service. Service facilitation is provided under consumer-directed services where a service facilitator provides information and assists the member and their family/primary caregivers with learning the responsibilities of a consumer directed employer of record.

- **Capture Savings from Changes in the Medicaid Preferred Drug List.** The adopted budget includes annual savings of $1.6 million GF and $8.2 million NGF over the biennium from changes to the Medicaid preferred drug list made by the Pharmacy and Therapeutics Committee. A portion of the savings comes from greater use of generic drugs.
- **Reduce Administrative Costs.** Captures savings of $2.6 million GF and $2.9 million NGF the first year by recognizing reduced administrative costs due to vacancies and turnover.
- **Achieve Savings by Requiring Electronic Visit Verification for Live-In Caregivers.** Captures savings of $1.1 million GF and $1.1 million NGF each year of the biennium by removing the exemption for live-in caregivers from using electronic visit verification to document time spent delivering personal care, respite, or companion care to individuals receiving consumer-directed DD Waiver services. Savings are projected from additional oversight to ensure services are delivered and appropriate service restrictions are applied.
- **Eliminate Future Automatic Inflation and Rebasing of Rates for Psychiatric Residential Treatment Facilities (PRTFs) and Qualifying Addiction and Recovery Treatment Services.** Includes savings of $669,055 GF and $4.1 million NGF the first year and $1.3 million GF and $7.6 million GF the second year by eliminating future automatic inflation and rebasing of rates for PRTFs and recovery treatment services providers. Language authorizes DMAS to maintain the rate ceilings in effect on June 30, 2026. Inflation and rebasing were only recently implemented for these providers beginning in FY 2024. Savings are also included in the budget for the Children's Services Act from this action.

Nongeneral Fund Spending Increases

- **Fund Estimated Costs to Implement Federal H.R. 1 Medicaid Provisions.** Adopts nongeneral fund spending of $69.2 million the first year and $65.2 million the second year, and 9 positions in the first year with an additional 3 positions in the second year to implement provisions of the federal H.R. 1, 119th Congress (2025-2026), effective December 31, 2026. The legislation requires (i) individuals applying for or enrolled in Medicaid Expansion to participate in a qualifying work, community service, and/or education activity at least 80 hours per month to be eligible, and (ii) states to verify eligibility for Medicaid at application and every six months thereafter. Language is added to provide DMAS with emergency authority to facilitate the implementation of H.R.1.
- **Provide Nongeneral Funds for Private Hospital Physician Supplemental Payments.** Adopts spending of $35.6 million NGF each year for the estimated cost of private hospital physician supplemental payments and agency administrative costs. Language in the Appropriation Act authorizes DMAS to make these supplemental payments to private hospitals and related health systems that execute affiliation agreements with public entities that can transfer funds to DMAS for the purpose of covering the non-federal share of the

authorized payments. This funding will support supplemental payments for Valley Health, Riverside Hospital and Sentara.

- **Provide Nongeneral Support for the Federal Rural Health Transformation Grant Program.** Adds $200.0 million nongeneral funds and 13 positions each year to support the anticipated receipt of the federal Rural Health Transformation Grant. The grant proposal submitted for Virginia includes initiatives to (i) use technology to increase provider efficiency and achieve measurable health outcomes, (ii) increase the health care workforce in rural Virginia, (iii) provide flexible and sustainable care to rural communities to promote access and reduce Emergency Department admissions, and (iv) expand prevention efforts and decrease rates of chronic disease indicators by promoting healthier lifestyles. The funds cannot be used to create any current or future obligation of state funding or state-supported services. Language adds a reporting requirement for the Rural Health Transformation Program.
- **Nursing Home Civil Money Penalty Funds to Participate in Federal Nursing Home Staffing Campaign.** Proposes using $4.1 million from the nursing home civil money penalty program to participate in the federal Nursing Home Staffing Campaign. Funding will provide up to 35% of the full amount allocated to Virginia. This campaign will provide financial incentives such as tuition reimbursement and stipends, for registered nurses and licensed nurse practitioners to work in nursing homes and state agencies. Further, the Centers for Medicare and Medicaid will work with states to make it easier for individuals to enroll in free, state-approved certified nurse aide (CNA) training programs and make resources available to help CNAs pursue career progression in nursing.

Language

- **Supplemental Payments for Hospital Systems.** The adopted budget authorizes supplemental payments to Ballad Health and Riverside Regional Medical Center by adjusting the indirect medical education reimbursement formula, pursuant to affiliation agreements with public entities which would transfer funds to DMAS for the non-federal share. Language requires adherence to federal regulations and specifies that participating public entities will fund the relevant DMAS administrative costs. Language also modifies the indirect medical education supplemental payment arrangement with teaching hospitals affiliated with Virginia Tech Carilion School of Medicine to allow qualified charitable contributions as a source for the non-federal share.
- **Private Teaching Hospital Indirect Medical Education Payments.** Adds language to allow private hospitals with smaller teaching training operations, to qualify for increased Medicaid indirect medical education (IME) funding. Qualifying hospitals will have public partners capable of providing the non-federal share of the enhanced funding.

- **Require Rural Hospitals Receiving Enhanced Payments to Retain Labor and Delivery Units.** The adopted budget adds language to eliminate Medicaid private hospital enhanced payments, authorized in Part 3 of the Appropriation Act to any rural hospital that shuts down a labor and delivery unit after January 1, 2026.
- **340B Reporting Requirements.** The adopted budget adds language that requires each 340B covered entity that dispenses a 340B drug to a Medicaid enrollee to report such information to the DMAS in order to participate in the 340B program. This reporting will enable the agency to (i) identify claims for 340B drugs submitted to the Medicaid program that are not subject to a duplicate discount not allowed under federal regulations; (ii) exclude 340B drug claims from Medicaid rebate invoices submitted to manufacturers where required by federal law; and (iii) quantify the aggregate value of 340B discounts received by covered entities on drugs dispensed to Medicaid enrollees.
- **Modify Nursing Facility Value Based Purchasing Program.** Adopts language to modify the nursing facility value-based purchasing program to ensure payments are only provided to facilities that demonstrate a sufficiently high quality of care through the use of metrics, threshold determinations and minimum eligibility requirements for earning program payments.
- **Improve Long-Term Services and Supports Screening for Children.** Requires DMAS and the Virginia Department of Health (VDH) to create a statewide assessment tool to ensure consistent screening of children under the age of 18 for long-term services and supports. Language clarifies that the assessments cannot be conducted more frequently than once every six months unless a major life change occurs. Language requires VDH to implement this tool on or before January 1, 2027.
- **Medicaid Reimbursement for Rehabilitation Hospitals.** Directs DMAS to update its Medicaid reimbursement methodology for rehabilitation hospitals to provide more equitable reimbursement rates for each hospital relative to its total cost of services provided to Medicaid recipients.
- **Performance Measures for Non-Emergency Medical Transportation (NEMT) Services.** Includes language directing DMAS to amend its existing contracts with Medicaid managed care organizations (MCOs) to require them to adopt performance metrics for Medicaid NEMT brokers consistent with those in the Medicaid Fee-for-Service program and report annually to the department regarding their performance.
- **Expansion of PACE Program to the Shenandoah Valley.** Directs DMAS to expand the PACE program to the Augusta/Rockingham/Harrisonburg area and to issue a Request for Proposals from entities interested in administering the program in the area.
- **Medicaid Sustainability Workgroup.** Language directs DMAS to convene a Medicaid Financial Sustainability Workgroup for the purpose of analyzing Medicaid expenditure trends

and identifying strategies to moderate the rate of spending growth while preserving access to care, quality, and compliance with state and federal law and policy.

- **Medicaid Fiscal Agency Employer Requirements.** Adds language directing DMAS to update Medicaid waiver rules to allow individuals receiving consumer-directed services to serve as their own employer of record (EOR) and to designate another person to perform EOR duties when they are unable.

Department of Behavioral Health and Developmental Services

- **Expand Marcus Alert Program.** Provides $3.6 million GF in FY 2027 and $7.8 million GF in FY 2028 to support statewide implementation of Marcus Alert programs, the statewide framework for providing a behavioral health, rather than public safety, response to a behavioral health crisis.

- **Increase Discharge Planning Funds.** Provides $1.5 million GF in FY 2027 and FY 2028 to provide funding for private hospitals to support the needs of patients with significant discharge planning needs.

- **Support the State Rental Assistance Program.** Provides $1.0 million GF in FY 2027 and FY 2028 to support the State Rental Assistance Program, which provides rental subsidies for individuals with intellectual or developmental disabilities.

- **Expand Problem Gambling Support Services.** Provides $1.0 million NGF in FY 2027 and FY 2028 from the Problem Gambling Treatment and Support Fund to expand problem gambling treatment, recovery, and prevention services.

Department of Social Services

- **Fund State Share of SNAP Benefit Allotments.** Includes $135.0 million GF in FY 2028 to fund the new cost share in SNAP benefits based on the state's payment error rate due to H.R. 1. This amount is assuming Virginia's error rate will be from 8 – 9.99%.

- **Fund Increase in State Share of SNAP Admin Costs.** Includes $43.0 million GF in FY 2027 and $57.4 million GF in FY 2028 to fund the new state share match rate of SNAP administrative costs. H.R. 1 reduced the federal match rate states received to administer the SNAP program, requiring states to now pay 75% of admin costs instead of 50%.

- **Create Centralized Child Protective Services Intake System.** Provides $1.0 million NGF in FY 2027 and $2.5 million GF in FY 2028 to develop a centralized system to collect child abuse and neglect reports at a state level. The state system would receive all reports, triage the situations, and then coordinate with the appropriate local department of social services for a response and investigation. Funding is also included for DSS to contract with a third party to conduct a comprehensive study and review of the screening process used for child protective services complaints across the state.

- **Increase Salaries for Local Departments of Social Services Family Services Employees.** Provides $3.5 million GF and $1.5 million NGF each year to increase the salaries of family service employees at local departments of social services. The current minimum salary for family services employees is approximately $35,000 and this funding will raise the salary minimum to $55,000 annually.

- **Fund SNAP Quality Assurance Team.** Includes $1.1 million GF and $520,865 NGF in FY 2027 and $1.3 million GF and $416,692 NGF in FY 2028 and 14 FTEs each year to create a SNAP quality assurance team to find and correct SNAP payment errors before they can negatively impact Virginia's Federal match rate.

- **Support State Oversight of Local Departments of Social Services.** Includes $656,842 GF and $218,946 NGF in FY 2027 and $2.7 million GF and $898,744 NGF in FY 2028 and 6 FTEs in FY 2027 and 26 FTEs in FY 2028 to allow DSS to issue corrective action plans and proceed with state takeover of local departments of social services if they are not adequately performing their duties.

- **Fund SNAP Quality Control Reviewer Salaries.** Provides $555,096 GF and $252,316 NGF in FY 2027 and $605,559 GF and $201,853 NGF in FY 2028 to increase SNAP control staff salaries to be in line with other comparable positions within DSS.

- **Provide Overtime for CPS Priority Response for Children Under Three.** Includes $212,046 GF each year to provide CPS workers overtime to respond to abuse and neglect complaints for children under the age of three as a priority one category response.

- **Capture Savings from the Relative Maintenance Payment Program.** Redirects $6.0 million GF each year from underutilization of the relative maintenance payment program. This action still leaves $6.2 million GF each year within the program.

- **Adjust the Child Welfare Forecast.** Reduces $2.8 million GF and $3.5 million NGF in FY 2027 and $2.9 million GF and $1.4 million NGF in FY 2028 from the cost of providing foster care and adoption subsidy payments based on recent expenditure trends.

- **Adjust TANF and VIEW Childcare Forecast.** Reduces $992,889 GF and $1.3 million NGF each year from the federal TANF block grant funding for the forecast of TANF benefits and adjustments to the Unemployed Parents program.

TANF BLOCK GRANT FUNDING		
Included Funding (Changes in Italics)	**FY 2027**	**FY 2028**
TANF Resources		
Annual TANF Block Grant Award	$157,762,831	$157,762,831

TANF BLOCK GRANT FUNDING		
Carry-Forward from Prior Fiscal Year	28,371,637	21,122,560
Total TANF Resources Available	**$186,134,468**	**$178,885,391**
TANF Mandated Services		
TANF Income Benefits	$13,239,085	$13,239,085
VIEW Employment Services	9,000,000	9,000,000
VIEW Child Care Services	2,659,033	2,659,033
TANF Caseload Reserve	1,000,000	1,000,000
TANF State/Local Operations (cost allocated activities)	71,258,772	71,258,772
Subtotal VIP/VIEW Benefits and Services	**$97,156,890**	**$97,156,890**
TANF Programming		
Healthy Families/Healthy Start	$9,035,501	$9,035,501
Community Action Agencies (CAAs)	*13,525,000*	*13,525,000*
CAA Two Generation/Whole Family Pilot	*1,125,000*	*1,125,000*
Earned Income Tax Credit (EITC) Grants	635,725	635,725
Local Domestic Violence Prevention Grants	3,846,792	3,846,792
Federation of Virginia Food Banks	3,000,000	3,000,000
Virginia Early Childhood Foundation	1,250,000	1,250,000
Boys and Girls Clubs	2,000,000	2,000,000
Child Advocacy Centers	*6,236,500*	*6,236,500*
Northern Virginia Family Services	2,125,000	2,125,000
Northern Virginia Family Services Mobile Service & Outreach	500,000	500,000
Laurel Center	1,250,000	1,250,000
FACETS	350,000	350,000
Visions of Truth STRIVE Program	*450,000*	*450,000*
Transit Passes	500,000	500,000
United Community	1,200,000	1,200,000
Good Shepard Housing and Family Services	200,000	200,000
Lighthouse Community Center	*1,000,000*	*1,000,000*
Cornerstones	*1,750,000*	*1,000,000*
Comprehensive Health Investment Project/Families Forward	2,400,000	2,400,000
Resource Mothers	1,000,000	1,000,000
Early Impact Virginia	600,000	600,000
Youth for Tomorrow	*0*	*0*
Northern Virginia Food Rescue	*100,000*	

TANF BLOCK GRANT FUNDING		
Subtotal TANF Programming	**$54,079,518**	**$53,229,518**
Other Spending (Cost Avoidance)		
Local Staff Support	$6,405,502	$6,405,502
Children's Services Act Transfer	9,419,998	9,419,998
Subtotal Other Spending (Cost Avoidance)	**$15,825,500**	**$15,825,500**
Total TANF Expenditures and Transfers	**$167,061,908**	**$166,211,908**

Department for Aging and Rehabilitative Services

- **Increase Funding for Local Area Agencies on Aging.** Adds $2.5 million GF each year of the biennium to cover increased costs for providing current services for the Area Agencies on Aging and meet the increased demand for home care services, transportation and nutritional services that allow elderly individuals to age in place.
- **Increase State Match for federal Vocational Rehabilitation Block Grant.** Adds $1.0 million GF to match $3.7 million NGF from the federal Vocational Rehabilitation Block Grant annually over the biennium. Of the general fund amount, $300,000 each year is derived surplus funding in the agency's Disability Determination Service Division.
- **Expand Funding for Community Brain Injury Services.** Adds $750,000 GF each year over the 2026-28 biennium to strengthen and expand brain injury case management, clubhouse services, clinical staff, and program support to meet existing demand for community brain injury services and address waiting lists. Of this amount, up to $125,000 each year may be used to support the operating expenses for an additional 22 supportive housing units for persons with brain injury.
- **Support for Brain Injury Service Providers.** Adds $750,000 GF each year over the 2026-28 biennium for workforce retention and recruitment efforts to ensure quality accessible services for people living with brain injury.
- **Increase Support for Long Term Care Ombudsman Program**. Includes $375,000 GF annually over the biennium to increase funding for 20 Long Term Care Ombudsman units at local Area Agencies on Aging, which has not been increased since the 1980s. Funding will be used to mitigate staff turnover, improve recruitment, and strengthen oversight over long term care facilities.
- **Fund Villages Exchange.** Provides $400,000 GF in FY 2027 to the County of Fairfax to continue support for the Washington Area Villages Exchange pilot program to reduce the public health risk of social isolation among older Virginians by expanding the availability of

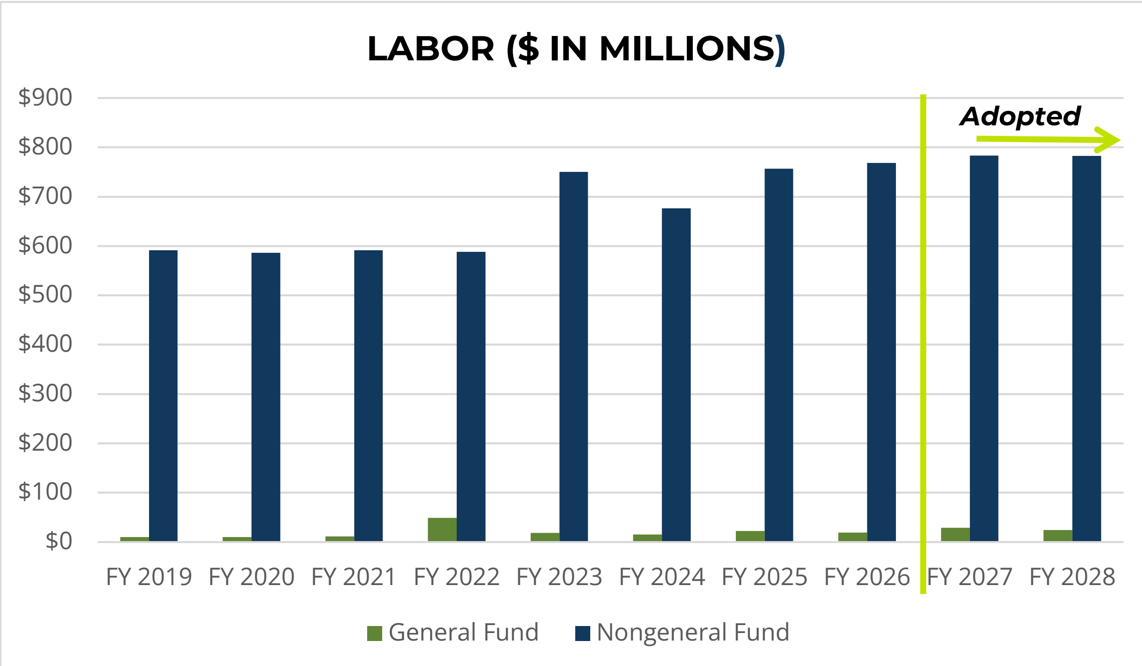
Villages to additional sites. Villages are a proven means of combatting isolation while enabling older adults to age in place and live safely and independently in their homes.

- **Align Personal Care/Assistance Rates with Medicaid Rates**. Provides $49,848 GF each year of the biennium to ensure that agency rates for consumer-directed personal assistance services mirror Medicaid rates for similar services. The agency's program serves individuals who have the most severe physical disabilities, require assistance in performing activities of daily living, and are ineligible for comparable benefits through Medicaid or private insurance.

Department for the Blind and Vision Impaired

- **Increase State Funding for Vocational Rehabilitation Services.** Adds $500,000 million GF each year of the biennium to expand vocational rehabilitation services provided through the Department for the Blind and Vision Impaired.

Labor



Agencies in the Labor Secretariat are primarily funded with nongeneral funds generated through licensing fees or provided by the federal government. There tends to be less demand for general fund resources from the four agencies within this Secretariat. The Virginia Employment Commission and the Department of Professional Occupation Regulation are supported exclusively with nongeneral funds. The Department of Workforce Development and Advancement and the Department of Labor and Industry manage some general fund supported initiatives, such as the state's registered apprenticeship program and wage enforcement activities.

Department of Professional and Occupational Regulation

- **Authorizes Technology Fee.** Authorizes DPOR to collect a technology fee of $7.25 with every application for licensure until June 30, 2030. This fee will cover the cost of replacing the agency's outdated software system with an anticipated cost of $9.0 million. The agency will utilize a VITA contractor for this project.

Department of Labor and Industry

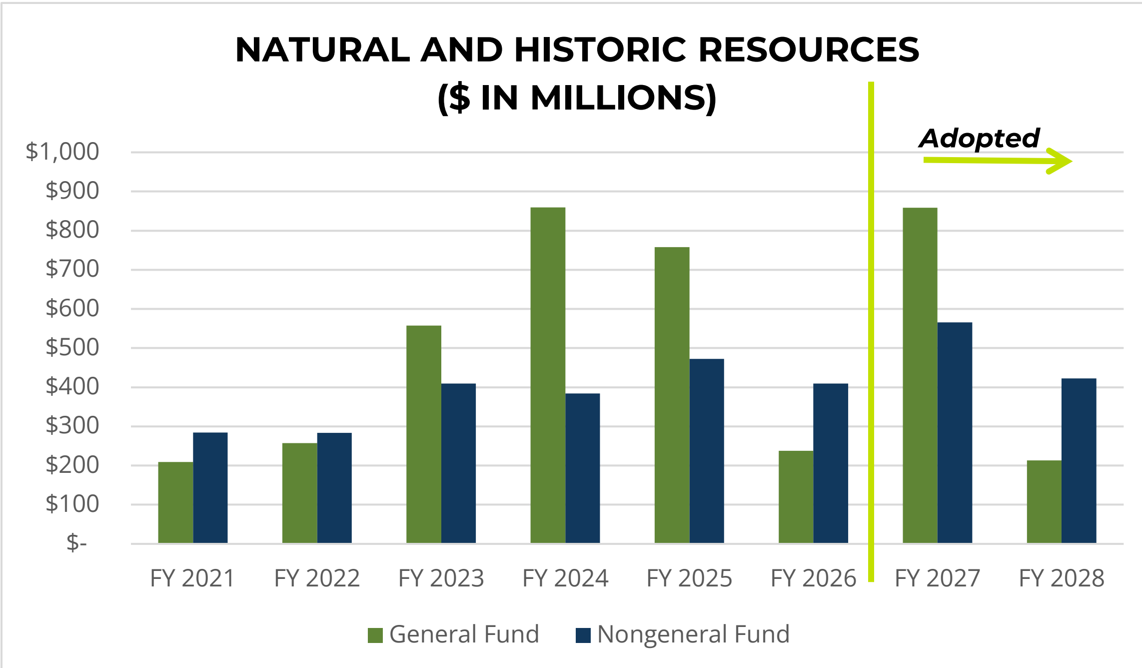
- **Expanded Enforcement Activities.** Adds $6.5 million in FY 2027 and $3.6 million in FY 2028 to the Department to expand labor law monitoring and enforcement activities. The General Assembly adopted several pieces of legislation in the 2026 Session to expand worker protections in the state, requiring the Department to hire at least 25 new employees and expand its technology systems.

- **Office of Whistleblower Protection.** Adds $350,000 and 2 positions in each year to address a substantial backlog in the agency's Division of Hearing and Legal Services.

Virginia Employment Commission

- **Paid Family and Medical Leave Start-up Costs.** Authorizes a treasury loan for the Virginia Employment Commission to establish a Paid Family and Medical Leave program. Start-up costs are estimated at $116.5 million over 2 years.

Natural and Historic Resources



Overall general fund spending within the Natural and Historic Resources secretariat varies greatly from year to year, largely depending upon the size of the required deposit in the Water Quality Improvement Fund. The largest single spending item in the budget provides $294.6 million for agricultural best management practices at DCR.

Secretary of Natural Resources

- **Chincoteague Inlet Study.** Provides $1.5 million GF the first year as the nonfederal match for a U.S. Army Corps of Engineers study of the widening of Chincoteague Inlet.

Department of Conservation and Recreation

- **Water Quality Improvement Fund Deposit.** Proposes Water Quality Improvement Fund deposits totaling $294.6 million in FY 2027. This amount includes:
  - $107.9 million GF for the mandatory Part A and Part B deposits from agency balances and the general fund surplus
  - $44.8 million GF as a supplemental deposit
  - $58.0 million NGF from interest earnings accrued in the Natural Resources Commitment Fund, and
  - $83.9 million NGF transfer from the Water Quality Improvement Reserve Fund.

- **Soil and Water Conservation District Dam Fund.** Provides $25.0 million GF to restore one-time funding for the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund. House Bill 29, as adopted, transferred $25.0 million from the balances of the Fund to the general fund.
- **Virginia Conservation Assistance Program.** Includes $4.0 million GF the first year for the Virginia Conservation Assistance Program, which provides financial incentives, education, and technical assistance to property owners installing eligible best management practices.
- **Lake Barcroft Dam Flood Mitigation.** Includes $1.5 million GF the first year to the Lake Barcroft Watershed Improvement District to support engineering and construction costs related to the Lake Barcroft Dam Flood Mitigation Project.
- **Dam Safety, Flood Prevention, and Protection Assistance Fund.** Includes $1.0 million GF in FY 2027 for the Dam Safety, Flood Prevention, and Protection Assistance Fund. The Fund is used to provide grants to public and privates owners of dams of regulatory size to reduce the risk of dam failures.
- **Lake Anna Algal Bloom Remediation.** Provides $750,000 GF the first year and $500,000 the second year to support harmful algal bloom mitigation and remediation efforts at Lake Anna. An additional $30,000 GF each year is provided to support hydrilla mitigation activities and buoy maintenance at Lake Anna.
- **Cooperative Agreement with U.S. Forest Service.** Includes $1.5 million in FY 2027 and $1.6 million in FY 2028 from nongeneral funds and 13 positions to support participation in a ten-year cooperative agreement with the U.S. Forest Service for activities such as trail maintenance, arborist work, and infrastructure work across state parks and adjacent federal lands.
- **Acquisition of Oak Hill Property.** Language in Part 2 of the budget authorizes the Department to acquire 1,250 acres of property in Loudoun County to establish Oak Hill State Park. The authorization is contingent upon the written approval of the Secretary of Finance and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The language includes a number of additional contingencies to be fulfilled before approval, including submission of a comprehensive funding plan confirming the availability of $52.0 million in nongeneral fund resources to support acquisition, subsequent development, and operation of the state park.

Department of Environmental Quality

- **Enhanced Nutrient Removal Certainty.** Includes $329.5 million GF in FY 2027 to provide the Commonwealth's share of financial support for eligible wastewater treatment plant improvement projects.

- **Richmond CSO.** Includes $50.0 million GF the first year to support the ongoing Richmond Combined Sewer Overflow improvement project.
- **Stormwater Local Assistance Fund.** Includes $43.5 million GF in FY 2027 for deposit in the Stormwater Local Assistance Fund to support grants to localities for improvements to their municipal separate storm sewer systems.
- **Shoosmith Landfill.** Provides $10.6 million GF the first year to support the operations and monitoring related to resolving the ongoing environmental issues at Shoosmith Landfill in Chesterfield County. Language directs the Secretary of Natural and Historic Resources to provide a report detailing findings and recommendations related to addressing the funding, environmental and regulatory concerns arising from the response efforts at the Landfill.
- **King George County Wastewater Repairs.** Includes $3.5 million GF in FY 2027 to support repairs to the Dahlgren Wastewater Treatment Plant Facility in King George County.
- **Bristow Manor Wastewater Collection.** Provides $1.0 million GF the first year to Prince William County to support the connection of Bristow Manor to the public wastewater collection system.
- **Directive to Rejoin RGGI.** Language amendment directs all agencies of the Commonwealth to take all necessary action to resume participation in the Regional Greenhouse Gas Initiative no later than 90 days after the effective date of this act.
- **RGGI Revenue Distribution.** Language amendment directs 45% of revenue collected pursuant to participation in the Regional Greenhouse Gas Initiative be credited to Phase I and Phase II utility customers in the residential, Small General Service, and church classes in a manner approved by the State Corporation Commission.
- **Data Center Noise Regulation.** Directs the Department to adopt and enforce regulations for noise at any data center, based upon the Department's determination of the lowest achievable noise from a data center. The language directs the Department to begin enforcement on January 1, 2030, and that data centers would be subject to a civil penalty of up to $32,500 per day of violation.

Department of Wildlife Resources

- **Operating Deficit Loan.** Language authorizes an operating deficit loan of up to $6.9 million for the Department.

Department of Historic Resources

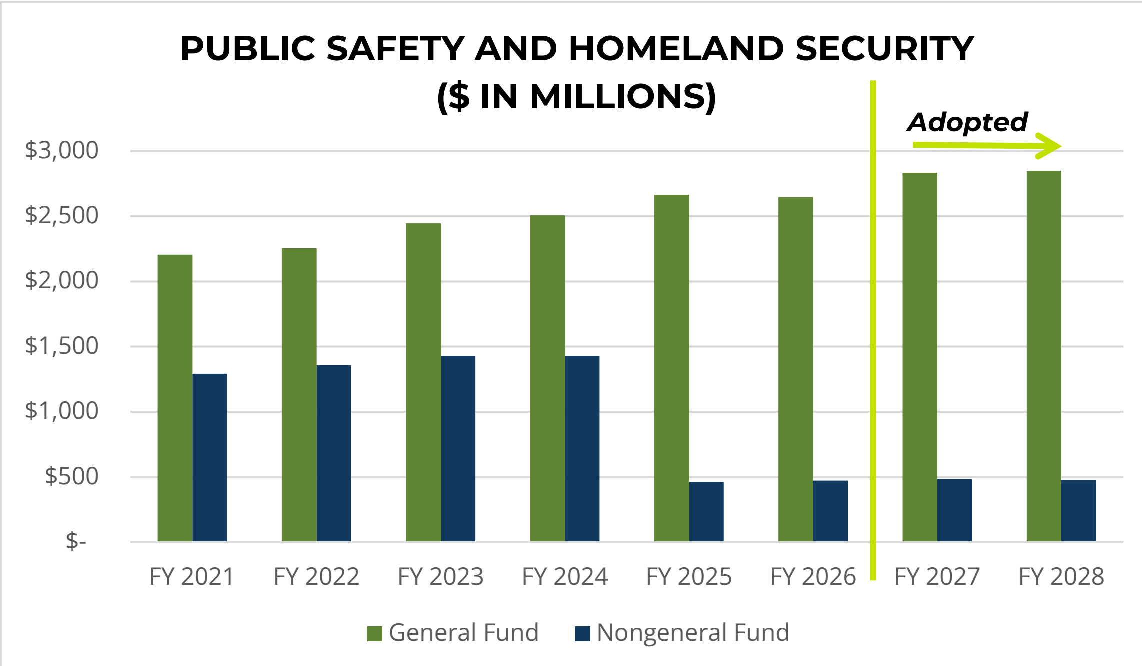
- **Support for Historic and Cultural Attractions.** Includes $7.5 million in FY 2027 for one-time support for historic and cultural attractions:

    - $2.5 million for Fincastle Museum in Botetourt County
    - $1.0 million for the Washington and Old Dominion Trail Visitors Center in the Town of Vienna
    - $1.0 million for the Freedom House Museum in Alexandria
    - $1.0 million for the National 9/11 Pentagon Memorial in Arlington National Cemetery
    - $500,000 for historic Nimmo United Methodist Church in Virginia Beach
    - $500,000 for the historic Fairfax Courthouse building in Fairfax County
    - $295,000 for historic Andrew Johnston House in Giles County
    - $250,000 for Dodona Manor in Loudoun County
    - $160,000 for the September 11th National Memorial Trail Alliance in Arlington
    - $108,000 for the historic Pocahontas Fuel building in Tazewell County
    - $100,000 for historic commemoration activities in the City of Roanoke
    - $50,000 for historic Moore Street School in the City of Richmond
- **BIPOC Fund.** Provides $2.0 million GF in FY 2027 for deposit in the Virginia Black, Indigenous, and People of Color Historic Preservation Fund.
- **Increase Easement Program Staff.** Includes $230,000 GF each year and 2 positions to begin addressing the Department's growing easement backlog.

Marine Resources Commission

- **Little Wicomico River Dredging.** Authorizes the use of $2.0 million from the Virginia Waterway Maintenance Fund to be provided to the Northern Neck Planning District Commission for the emergency dredging of the Little Wicomico River.
- **Jamestown-Yorktown Foundation Dredging.** Allows $600,000 from the Virginia Waterway Maintenance Fund to be provided for a channel dredging project undertaken by the Jamestown-Yorktown Foundation. The Fund has an ongoing appropriation of $4.0 million each year.
- **Beneficial Uses of Dredged Material.** Provides $109,000 GF and 1 position in FY 2028 pursuant to Chapter 908, 2026 Acts of Assembly, which directs the Commission to promote the beneficial uses of dredged material.
- **Bottomlands Conveyance.** Language amendment authorizes conveyance of specific real property interests in state-owned bottomlands to the City of Norfolk, related to the City's multi-billion dollar Coastal Storm Risk Management project.

Public Safety and Homeland Security



The proposed budget for Public Safety and Homeland Security includes general fund spending reflecting a 7% increase in FY 2027 and a 7.1% increase in FY 2028. For the Department of State Police, a total of $75.2 million GF is proposed over the biennium to support increased operating and personnel costs, in addition to $50.3 million GF provided for this purpose in the caboose bill. At the Department of Corrections, the largest single new spending amount is $59.7 million GF in additional support for inmate medical care, in addition to $24.9 million GF in new spending included for this purpose in the caboose bill.

Department of Corrections

- **Increased Inmate Medical Costs.** Includes an additional $28.9 million GF in FY 2027 and $30.8 million GF in FY 2028 to reflect increased estimated costs of providing medical care to inmates housed in DOC facilities. Factors identified as driving this increase included increased compensation for medical staff directly employed by DOC, increased costs for contract medical personnel, and increased spending for off-site medical care. These amounts are in addition to the $24.9 million GF in additional funding for inmate medical care included in the caboose bill.
- **One-Time Bonus.** Provides $7.8 million in FY 2027 to support a one-time $1,000 bonus for each employee assigned to a facility, with $500 provided in July 2026 and $500 provided in December 2026.

- **Case Management System.** Provides $2.6 million over the biennium to develop and implement a software application to improve data availability for the Department as it places inmates in programs and facilities; this would include consideration of need for inmate educational and vocational programming.
- **Body-worn Cameras.** Provides $2.8 million over the biennium for the Department to purchase additional body-worn cameras. The amount provided is sufficient to provide cameras to all security officers at Level 4 and Level 5 facilities operated by the Department.
- **Jail Project Reimbursements.** Includes funding for the 25% state share of costs for 4 jail capital projects: $954,999 for the upgrades at Western Tidewater Regional Jail; $280,000 for an upgrade project at Piedmont Regional Jail; $275,400 for the Prince William-Manassas Regional Adult Detention Center; and $5,000 for reimbursement of a renovation project at Roanoke County Jail.
- **Restoration of Rights Upon Release.** Includes $1.2 million over the biennium and 3 positions pursuant to House Bill 964, which provides that any person who loses political rights as a result of a felony conviction shall be invested with those rights upon release from incarceration, including the right to register to vote.
- **Corrections Special Reserve Fund.** Provides $1.1 million in FY 2027 for deposit in the Corrections Special Reserve Fund to respect the indeterminate correctional bedspace impact of 22 legislative initiatives adopted by the General Assembly in during the 2026 Session.
- **Strengthen Reentry Programming.** Language directs to the Department of Corrections to strengthen its reentry programming, including partnering with external organizations and supporting prisoners in serving in leadership roles in peer and group education programs. Language further directs the Department to convene a workgroup to develop recommendations to support those goals, with a final report to be provided to the Governor and General Assembly no later than July 1, 2027.

Department of Criminal Justice Services

- **Safer Communities Program.** Provides an additional $8.0 million each year for the Safer Communities Program to support the expansion of eligibility to the program for the cities of Danville, Hampton, Hopewell, Newport News, and Petersburg.
- **Firearm Violence Intervention and Prevention Fund.** Includes an additional $7.0 million each year for the Firearm Violence Intervention and Prevention Fund to support additional grants to localities and nonprofit organizations engaged in group violence intervention efforts.
- **Digital Mapping of Public Universities and Colleges.** Authorizes the use of $6.2 million from the unobligated balances in the School Resource Officer Incentive Grants Fund to

expand the state's digital mapping program to include public universities and community colleges.

- **SA/DV Program Funding.** Includes an additional $3.0 million each year to support grants to local sexual assault and domestic violence victims services programs to help address increasing unmet shelter requests and other survivor needs.
- **Court Appointed Special Advocate program.** Provides $2.4 million each year in additional support for Court Appointed Special Advocate (CASA) programs, the first increase in state funding for the programs since 2008. CASA provides judges with trained volunteers to advocate for abused and neglected children.
- **Targeted Community Violence Intervention Grants.** Provides $2.0 million each year to increased targeted support for targeted community-based violence reduction programs, including an additional $1.0 million each year for the Big H.O.M.I.E.S. program, $1.0 million each year for the C.U.T.S. program, and $50,000 each year for the Help Me Help You program.
- **Jail-Based Substance Use Disorder Treatment.** Provides $1.0 million FY 2027 from the Commonwealth Opioid Abatement and Remediation Fund for deposit in the Jail-Based Substance Use Disorder Treatment and Transition Fund. This amendment was a recommendation of the Joint Commission on Health Care.
- **Jail Mental Health Pilot Program.** Amendment sunsets that model addiction recovery program and transfers $153,600 each year to the Jail Mental Health Pilot Program. The amendment further directs the Department to identify additional grantees for the Pilot Program in consultant with the Department of Behavioral Health and Developmental Services. This was a recommendation of the Joint Commission on Health Care.
- **Sunset Pilot Program.** Provides one additional year of funding to continue the Safe Harbor Domestic Minor Sex Trafficked Youth pilot program in FY 2027 and removes $400,000 GF in FY 2028 to reflect sunsetting the program.
- **School Resource Officer Incentive Grants.** Amendment reduces the annual appropriation for the School Resource Officer Incentive Grant fund from $20.4 million each year to $15.9 million each year to better reflect utilization trends.
- **Sunset Operation Ceasefire Grant Program.** Amendment sunsets the Operation Ceasefire Grant Program effective July 1, 2026, and redirects the $10.0 million annual appropriation for Operation Ceasefire to other community violence intervention initiatives.

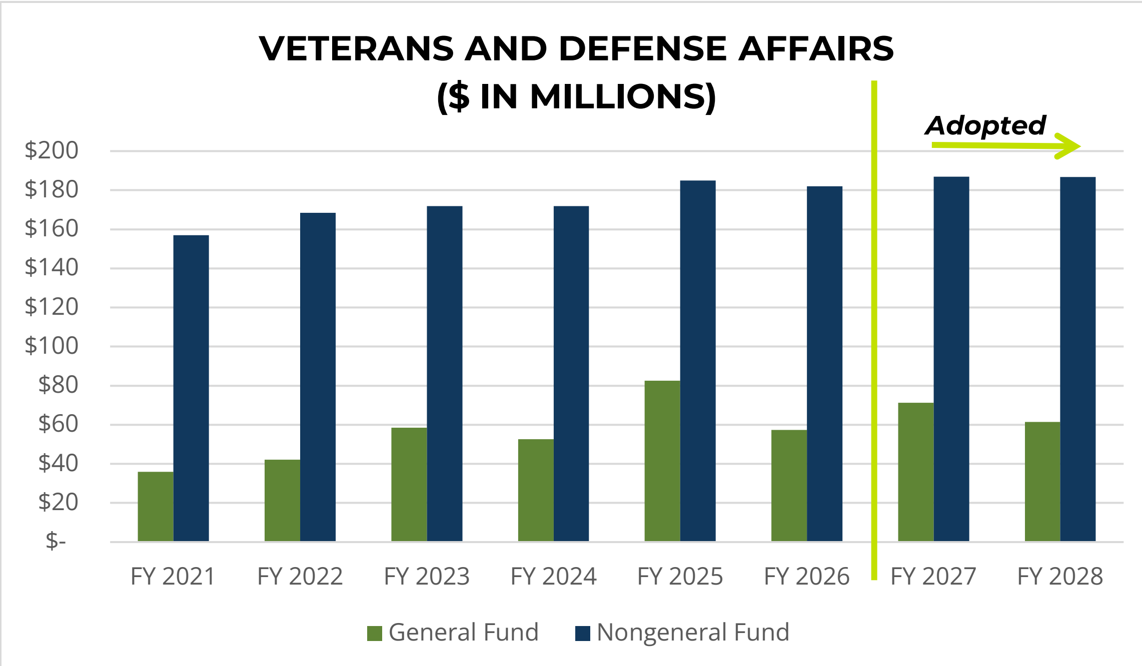
Department of Juvenile Justice

- **Costs of Intake Process.** Includes $1.8 million GF each year to reflect increased costs of central admissions and placements, and to increase the provision of services during the intake process.
- **Community Placement Programs.** Provides $942,000 GF each year to reflect increased costs of operating the Department's community placement programs.
- **One-Time Bonuses.** Provides $376,000 GF in FY 2027 for a $1,000 bonus for employees assigned to Bon Air Juvenile Correctional Center. Language directs $500 to be provided to eligible staff in July 2026, and $500 be provided in December 2026.

Department of State Police

- **Address Personnel and Equipment Costs.** Provides an additional $23.0 million GF in FY 2027 and $52.2 million GF in FY 2028 to address increased personnel and operational costs within the Department. According to the Department of Planning and Budget:
    - The caboose bill also includes $50.3 million GF in FY 2026 for increased personnel, equipment, and information technology costs at the Department.
    - Language establishes additional reporting requirements for the Department's expenditures, and directs the Department to contract with an independent entity to conduct a comprehensive audit of their budget with a report detailing results due no later than November 1, 2026.
- **VITA Transformation.** Includes $9.3 million GF each year to continue Phase 2 of the Department's ongoing VITA transformation process. The transformation process began in 2021, as the Department was one of the last agencies not integrated into VITA's shared services model, and required expansive IT updates to replace end-of-life hardware and software, and to address several audit findings.

Veterans and Defense Affairs



The budget increases general fund spending for the Veterans and Defense Affairs secretariat by $14.0 million in FY 2027. The largest single portion of this amount is represented by increased general fund start-up support for the Puller Veterans Care Center, which totals $7.5 million over the biennium.

Secretary of Veterans and Defense Affairs

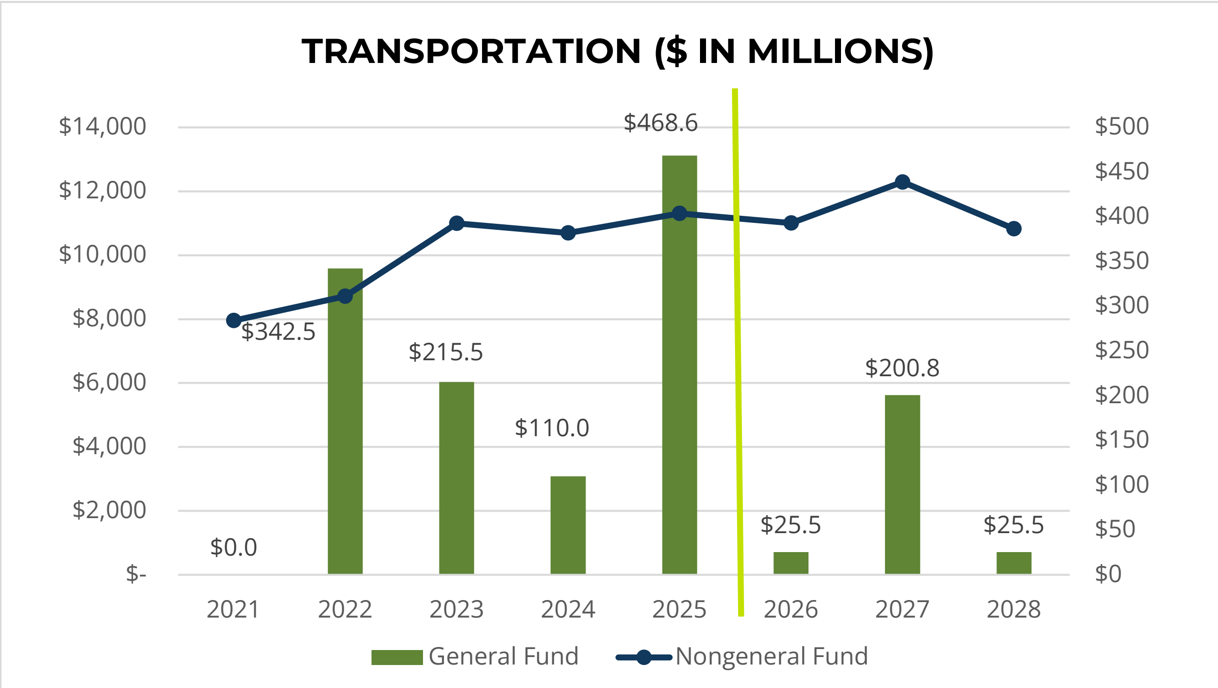
- **Virginia Military Infrastructure Grant Program.** Provides $2.0 million GF in FY 2027 for the Virginia Military Infrastructure Grant Program. The Program is used to provide competitive matching grants to localities to aid in the planning and design, construction, or completion of infrastructure projects that enhance military readiness, installation resiliency, or quality of life for military communities. The Program received a previous one-time appropriation of $5.0 million GF in FY 2023.

Department of Veterans Services

- **Puller Veterans Care Center Startup Costs.** Includes $7.5 million GF in FY 2027 to reflect estimated startup costs at Puller Veterans Care Center in Fauquier County. This is in addition to $1.8 million GF in startup support provided in House Bill 29 in FY 2026. It is expected that upon full operation the Puller Veterans Care Center will be fully supported by nongeneral fund revenues. Language directs the Department to establish a work group to review the business plans for veterans care centers, identify options for repayment of a previously authorized working capital advance, and to analyze the impact of operating the veterans care centers as a system.

- **Operation of Veterans Care Centers as System.** Language directs the Department to operate all Veterans Care Centers as a system, and to share nongeneral fund revenues between them to support operating expenses. Currently, the four Veterans Care Centers are operated as individual entities without shared revenues.
- **National Center for Healthy Veterans.** Proposes $300,000 GF each year to support the National Center for Health Veterans at Valor Farms in Campbell County. The National Center for Healthy Veterans provides a nine-month faith-based residential program providing resilience, trauma recovery, and career preparation programs.

Transportation



The Nongeneral Fund appropriations within the Transportation Secretariat remains relatively level after the significant increases which have occurred and are driven largely by the policy changes adopted in legislation in the 2020 General Assembly Session. The total NGF appropriation for the Secretariat in FY 2027 is approximately $12.3 billion with the appropriation decreasing to $10.8 billion in FY 2028.

The General Fund appropriation within secretariat is significantly lower than in the previous 2 biennia, totaling $226.4 million over the 2 years.

Below is a summary of the major funding and policy initiatives.

Office of the Secretary of Transportation

- **Evaluate Options to Accelerate I-81 Corridor Improvement Projects.** Includes language requiring the Secretary of Transportation to evaluate options to accelerate the projects included in the Interstate 81 Corridor Improvement Program and report to the General Assembly on the options identified.
- **Workgroup to Review Ticket Reciprocity.** Directs the Secretary of Transportation, in collaboration with the Virginia Department of Transportation and the Department of Motor Vehicles, to work with their counterparts in the District of Columbia and Maryland to review issues related to ticket reciprocity and registering vehicles in Virginia for out-of-state residents. The language requires a report to the General Assembly by November 1, 2026.

Virginia Commercial Space Flight Authority

- **Update Appropriation Based on Updated Revenue Projections.** Provides $1.3 million NGF in FY 2027 and $1.6 million NGF in FY 2028 to reflect the authority's allocation of the updated Commonwealth Transportation Fund revenue forecast.
- **Transfer Language from Port to Virginia Space.** Budget transfer language is included in Chapter 725 under the Port of Viriginia to the Virginia Commercial Space Flight Authority that is related to the ground lease for the Assembly Integration and Testing Facility with Rocket Lab.

Department of Aviation

- **Additional Funding to Support Advanced Air Aviation Test Sites.** Authorizes a transfer of $500,000 in fiscal year 2027 from the Commonwealth Development Opportunity Fund to the Department of Aviation to support the continued development of Advanced Air Aviation Test Sites.

Department of Motor Vehicles

- **Adjust Appropriation for Federal Grant Increase.** Increases the Department's NGF appropriation by $11.0 million each year to reflect an increase in federal highway safety and open container grant fund.

Virginia Passenger Rail Authority

- **Adjust Appropriation Based on New Revenue Estimates.** Includes an adjustment increasing the Authority's appropriation by $478.9 million NGF in FY 2027 and decreasing the appropriation by $139.3 million NGF in FY 2028. This primarily reflects debt financing related to the I-66 Inside Beltway program, where the Commonwealth Transportation Board issues debt to fund rail expansion projects and revenues generated from toll revenues on I-66 Inside the Beltway express lanes are dedicated to debt service.

Department of Rail and Public Transportation

- **Provide Additional Operating Support for the Washington Metropolitan Area Transit Authority.** Includes $153.0 million general fund in fiscal year 2027 to provide the state share of the increased operating support for the Washington Metropolitan Area Transit Authority over the two-year biennium. The language authorizes the carry forward of any unexpended balances at the end of the first year.
- **One-Time Funding to Support Transit Capital Assistance.** Provides $19.0 million general fund in fiscal year 2027 for a one-time investment in transit capital projects.

- **Funding HJ 28.** Includes $300,000 general fund in fiscal year 2027 to support the work of the joint 13-member subcommittee established pursuant to the passage of House Joint Resolution 28 authorizing a one-year study of public transit in Hampton Roads and options for future investment.
- **Support Demolition of Parking Garage at Huntington WMATA Station.** Authorizes the transfer of up to $10.0 from the Transportation Partnership Opportunity Fund in the first year to support the demolition of a parking garage at the Huntington Metrorail Station. The transfer is contingent on the commitment of local or regional funds sufficient to complete the demolition.
- **Adjust Funding to Reflect Transfer from VDOT of I-495 Toll Funding Collections.** Increases DRPT 's appropriation by $2.3 million NGF each year to reflect the transfer from VDOT of I-495 toll funding collected by the Virginia Department of Transportation (VDOT) from the concessionaire and transferred to the Department of Rail and Public Transportation. This funding is available to fund transit corridor projects to address congestion in the area, pursuant to the agreement with VDOT.

Department of Transportation

- **Provide Additional Funding for Toll Relief in Hampton Roads.** Includes $24.0 million general fund in FY 2028 to ensure there is sufficient funding for the toll relief programs provided in Hampton Roads. The budget also includes language requiring VDOT to update their financial analysis of the programs to determine if additional funding is needed.
- **Funding for Virginia Coalfields Expressway Project.** Includes $7.0 million general fund in FY 2027 to support improvements for Route 460 as part of the Virginia Coalfields Expressway Project.
- **Update Appropriation Based on Updated Revenue Projections and Financial Plan.** Reflects an NGF increase of $1.0 billion in FY 2027 and $116.8 million in FY 2028 for the Department based on the updated 6-year plan and revenue projections.
- **Provide Funding for the Hampton Roads Bridge Tunnel (HRBT) Expansion.** Includes $29.8 million NGF in FY 2027 and $30.9 million NGF in FY 2028, as well as 24 additional FTEs, to support increased operating expenses at the new Hampton Roads Bridge Tunnel.

Department of Transportation Transfer Payments

- **Update Appropriation Based on Revenue Projections and Financial Plan.** Reflects an NGF increase of $8.4 million in FY 2027 and $47.7 million in FY 2028 in transfer payments to regional transportation programs based on updated financial plans and revenue projections.

Virginia Port Authority

- **Provide Funding for Development of Inland Port.** Includes $20.0 million from the general fund in FY 2027 to support the design, development, and necessary site improvements for an inland port at the Oak Park Center for Business and Industry in Washington County, Virginia. A front-page adjustment in Chapter 7 reverted $9.75 million in balances appropriated within Commerce and Trade for the development of the Inland Port.
- **Provide Funding to Reflect Changes in Lease Payments for the Virginia International Gateway.** Provides a $6.5 million NGF increase in FY 2028 to reflect increased lease charges for the Virginia International Gateway Terminal.
- **Reduced Appropriation to Reflect Updated Debt Service Requirements.** Reduces the Ports appropriation for debt service payments by $311.8 million NGF in FY 2027 and $312.5 million NGF in FY 2028 to reflect current debt service obligations.

Central Appropriations

General Fund appropriations within central appropriations reflect employee compensation and benefit changes, which are spread across the agencies in the out years, internal service fund costs spread across agencies, for one-time expenditures.

Below is a summary of the major funding initiatives.

Employee Compensation Actions

- **3.5% Salary Increase for State Employees and State Supported Local Employees in Each Year of the Biennium.** Includes $222.6 million general fund in FY 2027 and $491.3 million general fund in FY 2028 to provide a 3.5% salary increase for state employees and state supported local employees at the beginning of each fiscal year.
    - The amendment provides $170.6 million in FY 2027 and $376.3 million in FY 2028 for the state employee salary increases effective on July 25, 2026 and June 10, 2027.
    - Also provides $52.0 million in FY 2027 and $115.0 million in FY 2028 for the state supported local employees salary increases effective August 1, 2026 and July 1, 2027 each year.

Employee Benefit Plan Funding Actions

- **Adjust Funding for State Employee Health Plan Premiums.** Includes $120.9 million GF in FY 2027 and $167.8 million GF in FY 2028 to support a 17% increase in premiums for the state employee health insurance program effective July 1, 2026 and an additional increase of 5% effective July 1, 2027. The most recent actuarial analysis estimated an increase in costs of 19.2% in FY 2027; however, several design plan changes were adopted to reduce the increase. These plan design changes include:
    - Implement a $150 pharmacy deductible
    - A requirement for certain prescriptions to use available biosimilars and
    - A modification to the eligibility criteria for certain weight loss medicines
- **Lump Sum Deposit for State Employee Health Insurance Fund.** Provides $200.0 million from the general fund in fiscal year 2027 to provide a lump sum deposit into the State Employee Health Insurance Fund in response to a significant decrease in the Fund's balance over the past year.
- **Capture Savings from Reduction in VRS Retirement Contributions.** Captures savings of $46.7 million GF in FY 2027 and $48.8 million GF in FY 2028 from a reduction in contributions to the state employee retirement plans based on the 2025 actuarial valuation.

- Savings of $106.9 million GF in FY 2027 and $107.0 million GF in FY 2028 is captured in the SOQ funding formula related to savings from changes in retirement and other post employment benefit rate contributions for SOQ funded positions.

- **Capture Savings from Reduction in Contributions for VRS Administered Other Post Employment Benefits.** Captures savings of $24.3 million GF in FY 2027 and $25.4 million GF in FY 2028 from a reduction in contribution rates for the state employee sickness and disability, group life insurance, and retiree health insurance credit programs and the state supported employee retiree health insurance credit.

Contribution Rate for VRS Administered Programs		
	Chapter 725 FY 26	**HB 30 FY 27 & 28**
Retirement Programs		
State Employees Retirement System	12.52%	11.07%
State Police Officers' Retirement System	31.32%	31.67%
Virginia Law Officers' Retirement System	24.60%	22.60%
Judicial Retirement System	30.67%	30.49%
Teachers Retirement System	14.21%	12.20%
Other Post Employment Benefits		
State Employee - Retiree Health Insurance Credit	1.12%	0.70%
Public School Teacher - Retiree Health Insurance Credit	1.21%	0.88%
State Employee - Group Life Insurance Program	1.18%	1.06%
Employer Share of the Public School Teacher Group Life Insurance Program	0.47%	0.42%
Virginia Sickness and Disability Program	0.50%	0.42%
Constitutional Officers and Employees Retiree Health Insurance Credit	0.36%	0.27%
General Registrar and Employees Retiree Health Insurance Credit	0.32%	0.13%
Employees of Local Social Services Boards Retiree Health Insurance Credit	0.37%	0.20%

- **Lump Sum Deposit for to Address Unfunded Liability for State Employee Retiree Health Credit Plan.** Provides $93.6 million general fund in the first year to reduce the unfunded liability for the retiree health care plan for state employees managed by the Virginia Retirement System. The $93.6 million represents approximately 15% of the plan's unfunded liability as June 30, 2025.

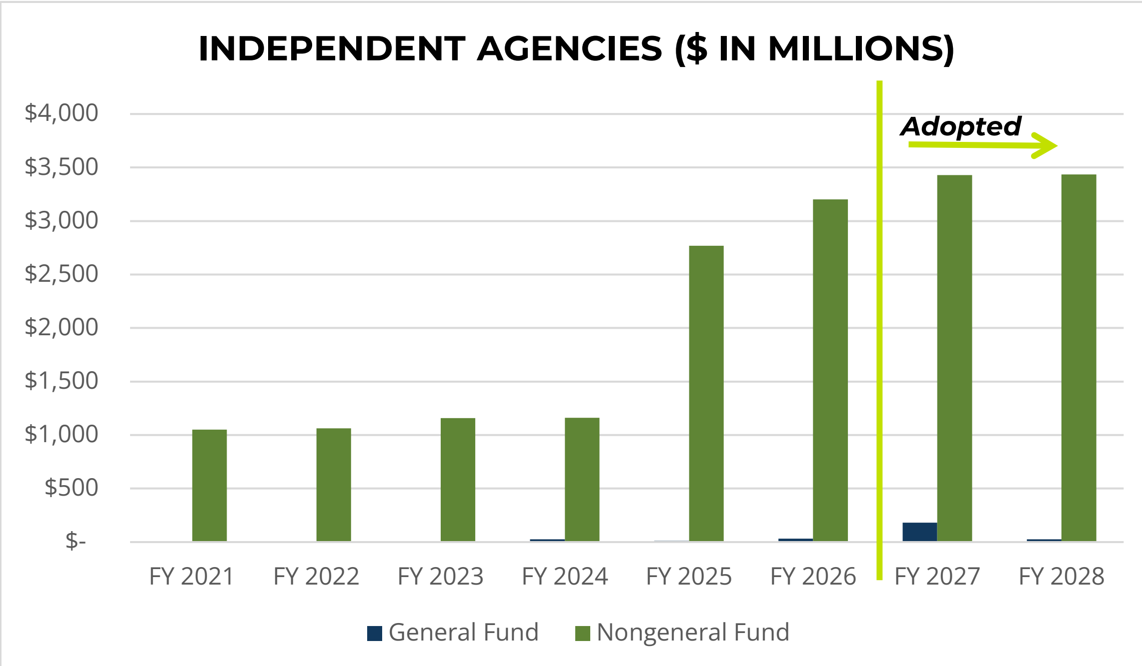
Adjustments to Agency Distributions

Other 2024-26 Central Budget Adjustments for Agency Distributions (GF $ in millions)		
Program	**FY 2027**	**FY 2028**
Compensation and Benefits		
Line of Duty Act Premiums	$4.1	$4.1
State Employee Workers' Compensation Premiums	4.6	4.8
Adjust Funding for Minimum Wage Increase	0.9	3.9
Agency Operations		
Funding for Agency Information Technology Costs	14.6	14.6
Funding for Premiums from Division of Risk Management	2.9	3.4
Funding for Agency Rent Cost	5.5	5.5
Funding for Cardinal Human Resource Management	0.6	1.5
Funding for Performance Budgeting System	(0.1)	(0.1)
Funding for Cardinal Financial Systems	(1.5)	(1.2)
Total	**$28.0**	**$30.8**

Miscellaneous Expenditures

- **Funding for Medicaid Reserve.** Appropriates $350.0 million general fund in fiscal year 2027 as a Medicaid reserve contingency which can be transferred to the Department of Medical Assistance Services if the current appropriation is insufficient to meet updated projected expenditures.
- **Funding for Federal Uncertainty Contingency Fund Deposit.** Includes $225.0 million general fund in fiscal year 2027 for deposit to a newly created Federal Uncertainty Contingency Fund. These funds will be used to address unanticipated reductions in federal funding that impact state programs and services.
- **Funding for Enhanced Environmental Impact Monitoring.** Provides $100.0 million general fund in fiscal year 2027 to implement improvements in environmental monitoring in the Commonwealth.
- **Appropriation for Higher Education Credit Card Rebates and Interest Earnings.** Provides $12.4 million GF and $6.0 million NGF each year in funding that is returned to the Higher Education Institutions based on interest earnings on tuition and fees, and rebates from credit card charges made by the institutions.

Independent Agencies



Independent agencies are funded almost entirely by nongeneral fund (NGF) revenue collected through fines, fees, charges, and other non-GF income associated with their respective lines of business. Independent agencies do not report through any of the 3 branches of state government but receive their spending authority through the Appropriation Act. The ongoing increase in NGF starting with the 2024-2026 biennium reflects the conversion of the Alcohol Beverage Control Authority (ABC) and Opioid Abatement Authority (OAA) to independent status.

Chapter 1 contains only minimal additional GF spending for independent agencies, namely $150.0 million in the first year for the State Corporation Commission (SCC) to provide a state-based premium assistance program for plan year 2027, and an ongoing $100,000 GF appropriation for the Workers' Compensation Commission to reimburse providers for the forensic nursing program in accordance with Chapter 858 (HB 1464) of the 2026 Session.

Alcoholic Beverage Control Authority

- **Transfer of Net Profit from Store Operations.** Proposes net profit transfers from the Alcoholic Beverage Control Enterprise Fund totaling $146.3 million in FY 2027 and $133.3 million in FY 2028. Both of these amounts represent a substantial reduction in the assumed profit transfers during the 2026-28 biennium when compared to the $160.9 million transfer proposed for FY 2026 in the caboose bill as introduced, as well as the $156.1 million transfer in FY 2026 assumed by Chapter 725 (2025 Session). The Authority has assumed no growth in sales in FY 2026, and 1% reductions in revenue growth in FYs 2027 and 2028. The Authority further assumes continued inflation, growth in salaries and wages, need for additional investments in IT systems, and limited ability to further reduce costs in the short-term.

- **Permitting and Enforcement of Retail Tobacco.** Provides $9.3 million NGF over the biennium and 31 positions pursuant to the provisions of Chapters 1021 and 1044 of the 2026 Acts of Assembly, which establish a permitting and enforcement framework for retail tobacco sales, overseen by the Authority. The amendment authorizes the use of $3.1million NGF the first year from the balances of the JUUL Settlement Fund, with the remainder of the appropriations anticipated to be covered by fee revenue generated from the issuance of retail tobacco permits.

Cannabis Control Authority

- **Establish of Retail Cannabis Market.** Pursuant to provisions of an amendment to Item 4-14 of the Appropriations Act, an amendment provides $18.4 million NGF in FY 2027 and $20.0 million NGF in FY 2028 and 99 positions for the Cannabis Control Authority to hire sufficient staff to develop rules and regulations, issues licenses, and oversee the operation of an adult-use recreational cannabis market. The language further authorizes an interest-free treasury loan of up to $15.0 million to fund costs associated with the creation and administration of a retail cannabis market in the Commonwealth.

Opioid Abatement Authority

- **Increase Appropriation for Anticipated Settlement.** Includes $5.9 million NGF in FY 2027 and $1.8 million NGF in FY 2028 to account for anticipated settlement awards from the Opioid Abatement Fund.

State Corporation Commission

- **Commonwealth Health Reinsurance Program (CHRP).** Includes $150,000 NGF from the Commonwealth Health Reinsurance Program Special Fund for the State Corporation Commission to apply for a five-year extension of the current waiver authorized through the federal Affordable Care Act to operate the Commonwealth Health Reinsurance Program. Language maintains the current premium reduction target for the program at 15%.

- **State Premium Assistance Program.** The adopted budget adds $150.0 million GF in FY 2027 to implement a state-based premium assistance program for plan year 2027 for individuals who purchase health insurance sold through the Virginia state-based marketplace with incomes between 138% and 250% of the federal poverty level. Funding will be used to lower the average monthly net premium by as much as 70%. Language provides flexibility for the Health Benefit Exchange to adjust the monthly premium reduction payment up or down as enrollment and fund balances change to maximize the use of the funding.

Language also allows the agency to carry funds over into fiscal year 2028 since the premium assistance will be provided in calendar year 2027. It is estimated that the program will serve approximately 167,000 Virginians.

- **Collect and Report on Data Center Activity.** Language requires the State Corporation Commission to collect and aggregate information related to data center electric service agreements, water usage, and permitting for generators and tier type.
- **Language Directing Interconnection Consideration.** Includes language seeking Phase II utility consideration of the economic benefits to historically disadvantaged communities in determining the connection date of large load customers to the electric grid.
- **Reflect Operational Increases.** Includes $11.2 million NGF the first year and $9.9 million NGF the second year and 36 positions to reflect expenditures for IT modernization, implement programs in response to legislative directives, and to convert positions from contract to in-house.

Virginia Lottery

- **Develop Age Verification Implementation Plan.** Includes language that directs Lottery to develop an implementation plan to require all lottery terminals to possess proper age verification software to ensure that a consumer is 18 years of age or older.

Commonwealth Savers Plan

- **Increase Agency Operations.** Includes $3.5 million NGF each year and 10 positions to reflect new information technology, professional services, administrative, and marketing positions.

Virginia Retirement System

- **Provide GF to Administer the Virginia Volunteers' Service Award Program.** Includes $215,000 GF the first year and $15,000 GF the second year for the agency to repay the fund for where expenses have exceeded appropriation in previous years.
- **Reflect Increased Operational Costs.** Includes $15.2 million NGF the first year and $16.1 million NGF the second year and 24 positions for the agency to improve customer-facing operations, enhance data quality and security, and improve business systems and service delivery.
- **Increase Investment Asset Management.** Provides $13.4 million NGF the first year and $17.4 million NGF the second year and 15 positions to augment the agency's investment staffing and technological capabilities.

Capital Outlay

Chapter 1 includes a total of $3.4 billion in capital outlay for over 70 projects. Of this, $2.5 billion is GF, including $1.5 billion GF cash and and $1.0 billion GF/tax-supported debt. The remaining $835.4 million is NGF, including $112.4 million in NGF 9(d) debt. Chapter 1 does not authorize any 9(c) debt.

Capital Outlay Funding Type for FY 2026-2028 ($ in millions)	
General Fund Cash	$1,467.1
General Fund Debt	1,056.1
Nongeneral Fund Cash	738.0
9(d) NGF Revenue Bonds	112.4
Total	**$3,373.6**

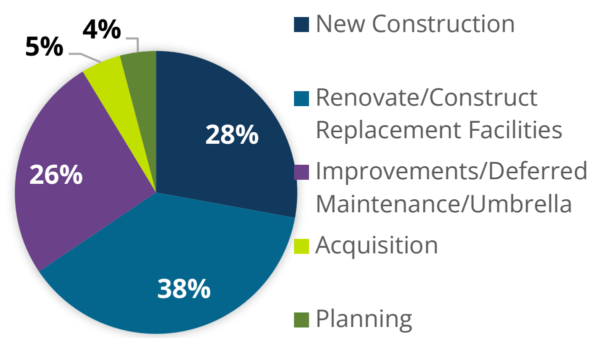
One driver of capital funding in Chapter 1 is the number of large projects that have moved through the pipeline and are ready to be built—5 projects alone count for $1.3 billion of the total spend.

Breaking Down $2.5 Billion of GF Capital

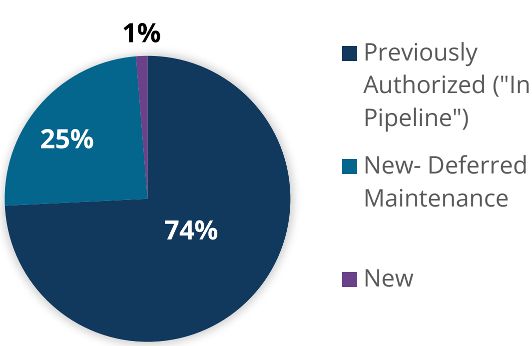
The $2.5 billion GF for capital can be categorized 3 ways: by project type, by the project's position in the capital pipeline, and by project owner (state agency or higher education institution).

1: Project Type*:* 2/3 of GF capital is for projects that update outmoded facilities via renovation or wholesale replacement ($951.0 million), or by measurable improvements ($649.7 million). Of the remaining funds, $703.4 million is for new construction and acquisition projects, $61.3 million is for furniture, fixtures, and equipment (FF&E) for projects nearing completion, and $42.8 million is to plan 8 new projects.

1- ALLOCATION BY PROJECT TYPE



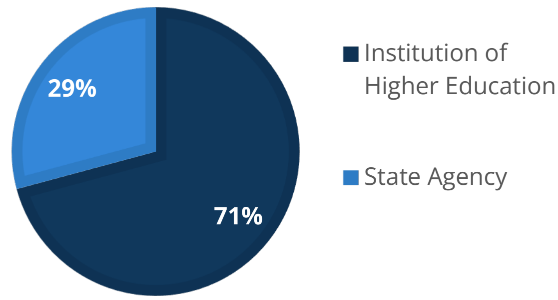
2- ALLOCATION BY PIPELINE STATUS



2- Pipeline Status: 74% of the $2.5 billion in GF for capital—including all $1.1 billion of GF-supported debt—is for projects that are already in the pipeline. An additional $617.6 million is for projects that address deferred maintenance at existing facilities (these are typically fully authorized outside of the pipeline process), and only $32.6 million is for projects new to the pipeline.

3- Project Owner: Over 70%—$1.8 billion—of total GF capital funding is for projects at institutions of higher education; this includes their allocation of the $400.0 million in maintenance reserve. The remaining $741.5 million is for state agencies (again, including their portion of the $400.0 million in maintenance reserve).

3- ALLOCATION BY PROJECT OWNER



Construction of Replacement Facilities/Renovations

At a total of $950.9 million GF support, the largest category of project type in Chapter 1 is the renovation or replacement of existing state facilities. Two-thirds of the GF funding in this category supports seven projects at institutions of higher education and one-third funds a replacement facility for the Virginia Supreme Court and Court of Appeals. Funding for all projects in this category is allocated via a construction pool, thereby protecting the state's bidding position for individual projects. A full list of projects in this category is as follows:

GF-Supported Replacement/Renovation Projects			
Owner	**Project Name**	**Owner**	**Project Name**
DGS	Commonwealth Courts Building	VCU	Construct New School for Dentistry
JMU	Renovate Johnston Hall	VSU	Renovate Virginia Hall
VIMS	Construct Marine Operations Administration Complex	VCCS	Renovate Amherst/Campbell Hall, Central Virginia
VT	Renovate Derring Hall	UVA-W	Renovate Darden Hall

New Construction/Acquisition

Chapter 1 provides $818.6 million in GF resources for the construction or acquisition of 6 projects for institutions of higher education. All 6 projects are funded via a single construction pool:

GF-Supported New Construction/Acquisition Projects			
Owner	**Project Name**	**Owner**	**Project Name**
VT	Expand VT-Carilion School of Medicine & Fralin Biomedical Research Institute	ODU	Construct Engineering & Arts Building
VMI	Construct Center for Leadership & Ethics Facility Phase II, & Parking	IALR	Expand Center for Manufacturing Advancement
VCU	Acquire Altria Building	UVA	Construct Center for the Arts

Existing Facility Improvements/Maintenance Reserve

Chapter 1 includes $649.7 million in GF resources for existing facility improvements. Projects in this category are smaller than full-scale renovations and typically structured as “umbrella projects,” or singular projects that encompass a series of similar tasks to address deficiencies in life safety, accessibility, systems, or security.

The $649.7 million total is comprised of $410.0 million in statewide maintenance reserve (MR) allocations and $224.8 million for 19 stand-alone improvement projects. Projects of note in this category include:

- $43.1 million to renovate, repair, and upgrade DBHDS facilities, including $10.0 million to demolish old buildings on the footprint of the former Central State Training Center
- $40.0 million for State Park improvement projects
- $40.0 million to install HVAC in state correctional centers
- $15.8 million for projects at Fort Monroe, to include implementation of the African Landing Memorial Visitor Amenities & Landscape Plan
- $15.0 million to address deferred maintenance in DGS-owned parking facilities
- $5.5 million for improvement projects at Jamestown-Yorktown
- $2.5 million each to (i) improve DMA Readiness Centers and (ii) address maintenance needs at state Veterans Care Centers

Planning

Chapter 1 allocates $42.8 GF cash and $12.4 million NGF in a planning pool for 7 projects:

- State agency projects:
  - DGS: Construct New Pharmacy Office & Cold Storage
  - DJJ: Modernize Utility Systems at Bon Air Juvenile Correction Center
- Higher Education projects:
  - UMW: Renovate Simpson Library
  - UVA: Construct Engineering Building (NGF for UVA to use its resources)
  - W&M: Construct Sunken Garden Geothermal Field
  - W&M: Renovate Sunken Garden District (NGF for W&M to use its resources)
  - VIMS: Replace Fisheries Science Research Building

Other Capital Items

- **Provide Equipment Funding.** Includes $61.3 million in GF cash for furniture, fixtures, and equipment (FF&E). Of the total, $39.9 million is in a pool for 7 projects nearing completion, and the remaining $12.0 million is for equipment related to workforce development.
- **Appropriate NGF Debt & Cash for Capital:** Includes $112.4 million in NGF 9(d) debt and $738.0 million in NGF cash for a variety of state and higher education projects, including $217.3 million for the Virginia Port Authority to continue work on its cargo handling facilities and empty yards, $94.0 million ($37.5 million in 9(d) debt) for VT to construct a new business building, $84.3 million ($48.8 million in 9(d) debt) for various auxiliary projects at JMU, and $46.6 million in NGF appropriation for VCCS to use its balances for targeted facility improvements.
- **Project Scope Changes:**
  - **VSP:** Amends the scope of 3 VSP area headquarters projects to facilitate efforts to select the most cost-effective option of buying/building/leasing new facilities
  - **SCC Headquarters**: Expands a project for the SCC to utilize balances to renovate its headquarters
- **Capital Policy Changes:**
  - **MR Projects and Funding**: Increases the MR project cost threshold from $2.0 to $3.0 million (and from $4.0 to $5.0 million for roof projects), and authorizes DOC to use MR for infrastructure project; also set a baseline of $200.0 million per year for out-year MR funding allocations
- **Additional Capital Actions:**
  - **Oak Hill:** Authorizes the acceptance of Oak Hill in Loudoun County as a new state park upon the completion of due diligence by the Department of Conservation and Recreation, and subsequent approval by the money committee chairs
  - **DMV:** Directs DMV to study options related to the renovation of its headquarters and potential purchase and/or renovation of an alternate site(s)

Part 3

Part 3 of the budget is composed of miscellaneous actions that are not attached to a specific agency. It includes transfers between general and nongeneral funds, working capital and lines of credit, adjustments to tax collections and adjustments and modifications to fees.

- **Changes to Interfund Transfers.** Includes the following changes from transfers among general and nongeneral funds. Positive numbers indicate money is being added to the general fund while negative numbers are moving general funds to a fund designated for a specific purpose, or reducing the amount of an ongoing transfer to the general fund.

Changes to Transfers ($ in millions)		
	FY 2027	FY 2028
ABC Profits	($9.8)	($22.8)
Property Analytics Firm Infrastructure Grant Fund	1.8	-
DWR Game Protection Fund	(1.2)	(1.2)
OAG Revolving Trust Fund	4.1	-
State Racing Operations Fund	3.6	3.6
SRO Incentive Grant Fund	10.0	-
College Partnership Laboratory School Fund	10.7	-
SCHEV Innovative Internship Fund	5.0	-
Cannabis Control Authority Enterprise Fund	-	16.1
Virginia Business Ready Sites Acquisition Fund	80.8	-
2025 Income Tax Rebate Fund	99.5	-

- **Conveyance of State-Owned Properties.** Authorizes or directs the sale or disposal of these state-owned properties:
  - Eastern Shore Farmers Market to the Industrial Authority of Accomack County
  - Culpeper Correctional Center
  - Fort Whitworth site at Central State Hospital to Petersburg Battlefields Foundation
  - Augusta Correctional Center
  - James Monroe Building
  - Surface lot at the corner of 7th and Main Streets, Richmond
  - Department of Forensic Sciences Laboratory on Leigh Street, Richmond
- **Withdrawals from Reserve Funds.** Requires any withdrawal from the Revenue Stabilization Fund and Revenue Reserve Fund to the general fund at the end of the fiscal year to be assigned by the Comptroller and be considered a portion of the general fund committed fund balance.

- **Higher Education Athletics Financial Reporting.** Authorizes the Auditor of Public Accounts to bill higher education institutions for the cost of assistance related to NCAA-required financial reporting.
- **Enhanced Payments to Rural Hospitals.** Eliminates enhanced payments for any rural hospital that eliminates their labor and delivery unit after January 1, 2026.
- **Data Center Electricity Consumption Tax.** Establishes an electricity consumption tax of $0.011 per kilowatt-hour applicable to all data center operators and estimated to generate $600.0 million each year.

Part 4

Part 4 of the budget is referred to as the General Provisions, and it contains the "fine print," or the rules governing the Administration's implementation of the appropriations adopted by the General Assembly. Also included in this section are provisions relating to treasury loans, capital projects, special restrictions on expenditures, positions and employment (including agency head salaries) and gubernatorial reporting requirements.

The final section of Part 4, often referred to as Part 5, are additional enactment clauses, including the effective dates for the overall budget document.

- **Reappropriations.** Requires the Governor to include explanations for reappropriated amounts and descriptions on how agencies plan to use such amounts in the annual report on reappropriated actions.
- **Virginia War Memorial Foundation Donations.** Ensures donations to the foundation are not used to offset state appropriations to the Virginia War Memorial.
- **Intercollegiate Athletics Revenue.** Directs the Joint Legislative Audit and Review Commission to study whether § 23.1-1309, governing the use of intercollegiate athletic program revenue, should be amended permanently. In addition, prohibits the use of general fund appropriations, tuition and E & G revenues from supporting intercollegiate athletics.
- **Higher Education Capital Projects.** Requires institutions of higher education to notify the Six-Year Capital Outlay Plan Advisory Committee prior to initiating detailed planning for a capital project under delegated operational authority.
- **Support for Maintenance Reserve.** Requires the Budget Bill submitted by the Governor to include at least $200.0 million GF each year for maintenance reserve projects at state agencies and institutions.
- **Student Financial Assistance for Certain Eligible Students.** Clarifies eligibility and procedures for grants provided to eligible students that were previously in foster care or similarly situated.
- **Loans to Non-State Entities.** Clarifies that explicit authority is needed in statute, an appropriation act, or by a Governor's directive for a state agency to make loans to a non-state entity.
- **Conveyance of State-Owned Properties.** Authorizes the Chairs of the House Appropriations and Senate Finance and Appropriations Committees to object to a planned surplus property conveyance, in which case such conveyance shall only occur if authorized in a subsequent appropriation act.

- **Turnover and Vacancy Savings.** Requires the Department of Planning and Budget to collect and report information on state agencies' actual and planned uses of turnover and vacancy savings.

Additional Enactments

- **Additional 1% Local Option Sales Tax.** Authorizes all cities and counties, upon passage of a referendum, to collect a 1% sales tax for the purpose of supporting school construction and modernization. In Planning District 8, such funds may also be used to support public transportation.
- **Increase Standard Deduction.** Increases the state standard deduction from $8,750 to $9,200 for single filers and from $17,500 to $18,400 for married filers for taxable year 2027, and to $9,300 for single filers and $18,600 for married filers for taxable years 2028 and 2029. In addition, the sunset for the refundable portion of the state earned income tax credit is extended and previously-adopted conformity language is incorporated. The revenue assumptions included on the front page have been decreased by $51.0 million GF in FY 2027 and $120.0 million in FY 2028.
- **Cannabis Retail Market.** Establishes a regulated, adult-use retail cannabis market with sales beginning July 1, 2027, and authorizes up to 350 stores. In addition to the state sales tax, includes a local option tax of 3.5%, and a state excise tax of 6% for the first year and 8% thereafter. The revenue assumptions included on the front page have been increased to reflect $35.0 million in additional general fund revenues in FY 2028 related to cannabis sales and excise taxes and $18.0 million in additional transfers to the general fund in FY 2028.
- **Paid Sick Leave.** Amends 2026 legislation requiring private employers and state and local governments to provide paid sick leave for their employees. The amendments address the definition of "family member" and sets the maximum increment employers may require leave to be taken at four hours.
- **Firearms.** Delays the effective date of 2026 legislation prohibiting the open carrying of an assault firearm from July 1, 2026 to July 1, 2027.
- **Electric Utility Undergrounding Program.** Limits Phase II utility undergrounding programs to not exceed 3% of the distribution base rate and establishes a cap of 4,000 miles of undergrounded lines. Authorizes newer users with high electric consumption, other than data centers, to select their qualified rate schedule. Also contains technical updates addressing provisions in House Bill 1393 and Senate Bill 253, passed during the 2026 Session.

Appendix A

Chapter 7: Direct Aid to Public Education Estimated Distribution, FY 2026										
	Key Data Elements			Technical Changes Only					Policy Action	
School Division	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2026 Approp. (Ch.725)	Update Enrollment Estimates	Update English Learner Data	Update Non SOQ Programs	Update VPI Participation	Update Sales Tax	$1,500 Bonus	FY 2026 Estimated Distribution (Ch. 7)
ACCOMACK	.3487	4,357	**$51,552,945**	($794,442)	($372,630)	($136,579)	($113,028)	($6,185)	$516,326	**$50,646,407**
ALBEMARLE	.6904	13,436	**75,662,746**	(1,707,718)	(237,953)	164,088	(269,226)	(41,178)	725,149	**74,295,908**
ALLEGHANY HIGHLANDS	.2737	2,542	**33,797,994**	(288,848)	(8,377)	(325,204)	(188,233)	(3,021)	373,027	**33,357,338**
AMELIA	.3758	1,477	**15,664,881**	(331,444)	(4,517)	78,897	6,222	(2,670)	172,991	**15,584,360**
AMHERST	.3015	3,645	**41,989,823**	306,088	(34,377)	200,799	(104,440)	(4,935)	460,884	**42,813,842**
APPOMATTOX	.2822	2,278	**25,672,719**	(656,310)	(12,484)	410,881	(114,481)	(2,678)	291,181	**25,588,828**
ARLINGTON	.8000	26,584	**121,993,551**	(2,479,997)	(504,783)	(266,485)	(388,019)	(90,298)	968,408	**119,232,376**
AUGUSTA	.3888	9,463	**92,406,284**	(1,163,952)	(131,706)	(369,431)	356,957	(15,517)	1,038,119	**92,120,754**
BATH	.8000	485	**2,714,723**	44,334	362	2,998	14,952	(1,481)	20,349	**2,796,237**
BEDFORD	.3132	8,300	**84,347,442**	(966,814)	(57,973)	54,645	(223,044)	(13,714)	1,019,557	**84,160,098**
BLAND	.3046	753	**9,187,342**	(800,876)	(4,110)	57,359	(20,795)	(765)	98,186	**8,516,342**
BOTETOURT	.4068	4,243	**37,995,657**	469,187	(47,204)	180,416	257,394	(7,132)	454,653	**39,302,971**
BRUNSWICK	.4379	1,381	**17,602,607**	980,855	(6,100)	(3,293,164)	17,818	(2,785)	143,615	**15,442,847**
BUCHANAN	.2557	2,143	**27,327,464**	139,025	(4,694)	28,457	14,838	(2,284)	326,040	**27,828,845**
BUCKINGHAM	.3379	1,618	**19,657,884**	(609,120)	18,434	96,686	131,997	(2,680)	226,441	**19,519,642**
CAMPBELL	.2877	7,199	**77,923,843**	(1,591,947)	(37,659)	83,575	78,102	(8,539)	896,674	**77,344,049**
CAROLINE	.3501	4,211	**43,790,769**	(716,927)	(122,174)	(153,836)	293,073	(7,028)	464,445	**43,548,322**
CARROLL	.2804	3,175	**38,371,083**	(626,480)	(42,492)	(55,789)	243,881	(3,859)	422,820	**38,309,164**
CHARLES CITY	.6669	481	**4,199,766**	120,140	3,080	(59,846)	(14,652)	(1,696)	37,888	**4,284,679**
CHARLOTTE	.2470	1,579	**20,012,653**	(374,224)	4,087	4,212	15,012	(1,639)	204,686	**19,864,787**
CHESTERFIELD	.3563	62,188	**574,735,441**	(1,173,029)	(2,491,864)	661,460	(5,233,090)	(87,984)	6,971,052	**573,381,986**
CLARKE	.6032	1,814	**11,939,652**	119,020	(36,995)	11,950	(47,609)	(5,048)	129,421	**12,110,390**
CRAIG	.3629	458	**5,585,663**	56,392	0	15,483	107,961	(850)	53,094	**5,817,742**
CULPEPER	.3617	8,102	**82,049,140**	(1,054,272)	(631,226)	457,458	(725,691)	(13,233)	894,932	**80,977,109**
CUMBERLAND	.3323	1,137	**15,877,767**	(428,394)	(40,285)	(198,987)	0	(1,725)	178,245	**15,386,621**
DICKENSON	.2157	1,639	**21,633,699**	102,232	(710)	(64,518)	93,816	(1,560)	252,783	**22,015,742**
DINWIDDIE	.2978	3,851	**45,811,022**	(1,327,261)	(63,802)	(109,181)	21,838	(4,663)	533,285	**44,861,239**
ESSEX	.4189	1,046	**10,454,937**	536,160	14,671	(151,693)	33,073	(2,059)	110,742	**10,995,831**
FAIRFAX	.6579	167,978	**1,077,647,238**	(15,980,358)	(3,823,134)	(2,945,813)	(1,508,994)	(457,515)	10,737,970	**1,063,669,395**

Chapter 7: Direct Aid to Public Education Estimated Distribution, FY 2026

School Division	Key Data Elements		FY 2026 Approp. (Ch.725)	Technical Changes Only					Policy Action	FY 2026 Estimated Distribution (Ch. 7)
	2024-26 Comp. Index	FY 2026 Projected ADM		Update Enrollment Estimates	Update English Learner Data	Update Non SOQ Programs	Update VPI Participation	Update Sales Tax	$1,500 Bonus	
FAUQUIER	.6006	10,385	**73,655,278**	(1,698,399)	(392,634)	(344,036)	(174,952)	(28,089)	825,933	**71,843,102**
FLOYD	.4056	1,590	**15,268,547**	162,394	(1,709)	(35,272)	0	(3,165)	170,673	**15,561,468**
FLUVANNA	.3934	3,201	**30,747,400**	215,194	(36,310)	107,928	(181,398)	(5,824)	373,615	**31,220,605**
FRANKLIN	.4596	5,676	**50,068,540**	(193,333)	(33,572)	(242,815)	129,281	(12,421)	520,294	**50,235,975**
FREDERICK	.4151	14,133	**129,736,790**	(1,695,880)	(201,598)	159,303	(1,314,226)	(24,368)	1,365,199	**128,025,221**
GILES	.2117	4,123	**37,982,948**	5,963,204	(17,970)	(62,589)	(180,257)	(1,895)	247,279	**43,930,720**
GLOUCESTER	.3999	4,573	**43,230,144**	(974,327)	(31,697)	52,342	(49,948)	(8,502)	503,276	**42,721,289**
GOOCHLAND	.8000	2,574	**11,398,690**	(7,502)	(6,150)	43,830	(14,653)	(9,660)	91,527	**11,496,083**
GRAYSON	.3196	1,463	**18,222,543**	(21,622)	(76,049)	(6,362)	(88,169)	(2,216)	199,695	**18,227,820**
GREENE	.3411	2,726	**28,605,735**	865,513	12,081	31,220	(3,086)	(4,462)	307,739	**29,814,740**
GREENSVILLE	.3898	951	**11,239,089**	(625,704)	(29,959)	31,266	97,016	(1,803)	115,992	**10,825,898**
HALIFAX	.3012	3,991	**50,123,286**	(539,898)	(36,877)	(7,632)	752,290	(5,497)	562,241	**50,847,913**
HANOVER	.4894	16,035	**120,499,778**	(1,232,325)	(86,363)	81,132	(15,268)	(32,847)	1,441,697	**120,655,804**
HENRICO	.4273	49,023	**456,167,539**	(6,484,248)	(1,909,651)	(1,025,006)	(1,096,065)	(83,568)	4,712,984	**450,281,984**
HENRY	.2247	6,342	**85,184,420**	(1,775,659)	(271,732)	131,975	432,392	(5,875)	917,452	**84,612,972**
HIGHLAND	.8000	205	**2,329,631**	258,638	0	(295,050)	0	(326)	11,991	**2,304,884**
ISLE OF WIGHT	.3704	5,272	**48,230,625**	411,311	28,013	149,537	(169,448)	(8,784)	607,578	**49,248,831**
JAMES CITY	.5403	9,959	**72,039,778**	(1,246,722)	(194,955)	481,505	(105,810)	(23,276)	834,287	**71,784,807**
KING GEORGE	.3633	4,229	**40,026,453**	(1,966,039)	(26,389)	79,669	(246,376)	(6,706)	482,091	**38,342,702**
KING QUEEN	.3998	523	**6,103,501**	167,566	(34,969)	68,437	39,068	(1,185)	68,530	**6,410,948**
KING WILLIAM	.3146	2,034	**21,321,883**	(275,906)	(29,929)	27,556	54,657	(2,574)	257,553	**21,353,239**
LANCASTER	.8000	912	**5,123,867**	(77,894)	(731)	(30,922)	109,648	(3,592)	32,909	**5,153,285**
LEE	.1712	2,659	**43,994,045**	(1,581,559)	5,879	(3,393,980)	0	(1,899)	453,913	**39,476,399**
LOUDOUN	.5518	79,739	**567,721,854**	(5,810,606)	(3,656,708)	672,054	(3,515,279)	(171,897)	6,160,354	**561,399,772**
LOUISA	.5041	5,132	**41,508,543**	59,758	(87,813)	19,200	(189,093)	(10,612)	435,202	**41,735,186**
LUNENBURG	.2614	1,479	**20,177,907**	(95,070)	(52,106)	1,665	0	(1,695)	201,356	**20,232,057**
MADISON	.4746	1,507	**12,486,347**	85,129	5,229	(45,709)	2,776	(3,508)	142,233	**12,672,497**
MATHEWS	.5904	733	**5,879,980**	199,313	(649)	43,146	(66,237)	(2,113)	66,947	**6,120,387**
MECKLENBURG	.3893	3,551	**36,011,501**	(848,028)	22,550	46,753	(310,460)	(5,677)	397,547	**35,314,186**
MIDDLESEX	.6389	1,123	**9,036,867**	(352,758)	(16,614)	(3,954)	69,776	(2,954)	112,585	**8,842,948**
MONTGOMERY	.4041	9,038	**82,576,569**	(566,276)	(25,931)	51,945	(2,079)	(17,052)	997,831	**83,015,007**
NELSON	.6645	1,383	**9,954,125**	(131,074)	(26,919)	26,770	(49,840)	(4,491)	80,087	**9,848,657**
NEW KENT	.4391	3,550	**27,795,641**	526,439	28,215	216,063	48,027	(5,687)	343,501	**28,952,198**
NORTHAMPTON	.5253	1,217	**12,513,909**	355,159	(13,427)	72,590	(7,326)	(3,205)	113,836	**13,031,536**

Chapter 7: Direct Aid to Public Education Estimated Distribution, FY 2026

School Division	Key Data Elements		FY 2026 Approp. (Ch.725)	Technical Changes Only					Policy Action	FY 2026 Estimated Distribution (Ch. 7)
	2024-26 Comp. Index	FY 2026 Projected ADM		Update Enrollment Estimates	Update English Learner Data	Update Non SOQ Programs	Update VPI Participation	Update Sales Tax	$1,500 Bonus	
NORTHUMBERLAND	.7672	1,094	**5,970,435**	(26,392)	(7,953)	(177,747)	4,984	(3,316)	46,429	**5,806,440**
NOTTOWAY	.2696	1,656	**20,761,756**	(47,660)	(7,965)	96,026	(3,422)	(2,152)	201,320	**20,997,902**
ORANGE	.4382	4,650	**43,228,327**	(1,242,230)	(103,316)	282,907	(117,601)	(9,271)	456,632	**42,495,448**
PAGE	.3356	2,776	**28,932,311**	659,527	(645)	(165,322)	160,138	(4,109)	311,135	**29,893,034**
PATRICK	.2475	1,879	**25,545,532**	(2,376,070)	(54,048)	(128,534)	66,233	(2,065)	269,448	**23,320,496**
PITTSYLVANIA	.2642	7,176	**84,055,546**	(1,979,314)	(171,728)	(16,349)	809,944	(7,777)	958,595	**83,648,917**
POWHATAN	.4704	3,772	**30,313,537**	(459,579)	(9,085)	(10,014)	0	(7,947)	366,047	**30,192,959**
PRINCE EDWARD	.3776	1,751	**18,523,874**	313,564	9,506	31,258	310,204	(3,423)	181,085	**19,366,068**
PRINCE GEORGE	.2321	5,939	**66,053,730**	(68,304)	(32,684)	331,529	(231,852)	(5,216)	755,102	**66,802,304**
PRINCE WILLIAM	.3631	86,612	**886,808,336**	(9,636,383)	(2,518,436)	646,149	(6,675,750)	(125,354)	9,659,865	**878,158,427**
PULASKI	.3303	4,003	**44,503,070**	(1,574,488)	(8,634)	(282,523)	(413,885)	(5,227)	420,599	**42,638,912**
RAPPAHANNOCK	.8000	737	**3,725,826**	2,094	(125)	11,798	(21,979)	(2,675)	22,984	**3,737,922**
RICHMOND	.3110	1,344	**14,522,875**	(170,451)	(36,461)	53,037	41,208	(1,358)	156,426	**14,565,276**
ROANOKE	.3635	13,050	**121,352,007**	(719,618)	(144,590)	6,786	(183,994)	(19,208)	1,509,502	**121,800,885**
ROCKBRIDGE	.4847	2,166	**20,272,838**	(491,078)	(108,109)	18,893	259,858	(5,251)	196,654	**20,143,805**
ROCKINGHAM	.4349	11,214	**99,084,930**	(782,462)	(205,186)	(148,691)	148,146	(21,944)	1,075,449	**99,150,241**
RUSSELL	.2265	3,034	**37,883,036**	536,499	1,189	86,469	239,017	(2,892)	432,892	**39,176,210**
SCOTT	.1872	4,021	**55,047,382**	3,313,828	(24,215)	(171,019)	341,257	(2,067)	703,936	**59,209,102**
SHENANDOAH	.4248	5,410	**52,834,034**	(577,993)	(24,494)	(297,904)	90,075	(10,578)	510,444	**52,523,584**
SMYTH	.2225	3,628	**52,423,803**	(4,309,242)	(54,525)	3,803	135,859	(3,386)	508,251	**48,704,562**
SOUTHAMPTON	.2987	2,213	**25,250,576**	1,032,153	41,197	(264,319)	39,497	(2,736)	284,284	**26,380,653**
SPOTSYLVANIA	.3702	23,276	**229,889,370**	(1,478,601)	(676,558)	812,121	(1,735,726)	(36,387)	2,619,540	**229,393,758**
STAFFORD	.3312	31,071	**302,785,831**	(1,868,193)	(448,466)	537,965	(2,574,521)	(39,424)	3,682,170	**302,075,362**
SURRY	.8000	656	**3,808,206**	44,332	3,433	39,752	0	(2,280)	31,081	**3,924,525**
SUSSEX	.3434	1,012	**13,797,786**	(213,186)	8,015	(8,310)	(3,077)	(1,473)	113,213	**13,692,968**
TAZEWELL	.2461	4,841	**57,570,401**	1,285,859	(977)	(77,604)	(551,667)	(5,202)	686,518	**58,907,328**
WARREN	.4517	4,718	**42,385,329**	(424,178)	(94,325)	(113,363)	(50,092)	(10,560)	458,408	**42,151,218**
WASHINGTON	.3459	6,591	**75,271,218**	(5,440,004)	(140,509)	250,393	(31,426)	(8,969)	749,369	**70,650,073**
WESTMORELAND	.5065	1,499	**17,110,616**	188,284	(39,241)	(27,556)	(74,760)	(3,474)	144,917	**17,298,786**
WISE	.2020	5,237	**65,102,379**	(930,193)	(5,521)	(42,670)	620,449	(3,732)	749,257	**65,489,969**
WYTHE	.3243	3,514	**38,446,084**	409,194	28,824	109,401	(53,883)	(4,788)	453,248	**39,388,080**
YORK	.3554	13,018	**114,963,904**	(2,665,857)	(31,316)	(156,095)	(615,551)	(16,281)	1,397,345	**112,876,149**
ALEXANDRIA	.8000	15,472	**77,222,070**	(1,914,557)	(518,484)	(1,161,110)	(492,399)	(52,344)	507,929	**73,591,104**
BRISTOL	.2977	1,983	**27,480,749**	(331,809)	(31,205)	163,195	28,003	(2,635)	288,578	**27,594,876**

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School Division	Key Data Elements			Technical Changes Only					Policy Action	
	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2026 Approp. (Ch.725)	Update Enrollment Estimates	Update English Learner Data	Update Non SOQ Programs	Update VPI Participation	Update Sales Tax	$1,500 Bonus	FY 2026 Estimated Distribution (Ch. 7)
BUENA VISTA	.1803	818	**12,540,237**	(73,492)	28,560	23,847	(98,050)	(651)	144,922	**12,565,374**
CHARLOTTESVILLE	.7702	4,081	**24,354,210**	(298,078)	(81,862)	(45,046)	264,202	(15,451)	172,840	**24,350,815**
COLONIAL HEIGHTS	.4026	2,870	**28,016,373**	(251,291)	(44,638)	407,502	(183,172)	(4,598)	285,035	**28,225,211**
DANVILLE	.2411	5,084	**72,725,420**	(931,285)	(209,309)	(260,080)	372,637	(5,944)	737,393	**72,428,832**
FALLS CHURCH	.8000	2,594	**11,452,142**	(104,218)	(19,423)	89,840	58,856	(8,479)	83,686	**11,552,404**
FREDERICKSBURG	.6163	3,360	**25,751,891**	(590,477)	(218,063)	112,046	(43,547)	(8,702)	232,788	**25,235,936**
GALAX	.2661	1,303	**15,896,875**	(518,011)	(21,726)	(5,937)	(51,209)	(1,151)	173,956	**15,472,797**
HAMPTON	.2579	18,541	**207,154,723**	1,936,649	(152,192)	525,249	(733,881)	(19,575)	2,418,769	**211,129,743**
HARRISONBURG	.3335	6,394	**71,176,746**	(1,452,024)	(337,285)	(295,218)	(265,747)	(8,009)	712,142	**69,530,605**
HOPEWELL	.1870	3,487	**47,529,671**	(1,209,417)	24,422	125,011	429,592	(2,773)	472,684	**47,369,190**
LYNCHBURG	.3872	7,132	**77,997,496**	131,513	(136,769)	(480,754)	(58,823)	(14,784)	794,461	**78,232,340**
MARTINSVILLE	.2229	1,591	**22,748,339**	(752,754)	(88,325)	86,511	306,669	(1,790)	213,784	**22,512,434**
NEWPORT NEWS	.2729	23,822	**283,931,378**	(2,784,703)	(1,094,888)	(759,253)	(382,826)	(28,731)	3,072,104	**281,953,081**
NORFOLK	.3212	24,495	**279,840,513**	(2,130,729)	(959,715)	718,790	215,169	(37,172)	2,901,000	**280,547,855**
NORTON	.2412	788	**9,957,342**	(215,046)	1,888	195,757	109,900	(575)	100,105	**10,149,372**
PETERSBURG	.2075	4,055	**57,357,241**	(2,069,643)	(193,145)	(2,169,579)	636,000	(3,691)	531,003	**54,088,185**
PORTSMOUTH	.2369	11,829	**152,927,911**	(2,554,294)	(136,113)	374,473	(372,722)	(12,844)	1,598,332	**151,824,744**
RADFORD	.1658	2,930	**36,812,321**	(1,605,017)	(144,801)	35,890	58,207	(926)	319,043	**35,474,718**
RICHMOND CITY	.5740	20,197	**187,370,412**	360,637	(436,717)	197,191	(1,124,141)	(53,093)	1,648,436	**187,962,725**
ROANOKE CITY	.3388	12,545	**160,126,906**	(5,090,691)	(1,015,151)	(871,892)	(531,880)	(19,131)	1,506,974	**154,105,135**
STAUNTON	.3767	2,549	**27,848,786**	602,091	7,893	614,883	178,005	(4,774)	264,653	**29,511,536**
SUFFOLK	.3493	13,985	**134,381,378**	(76,345)	37,952	14,927	484,583	(21,579)	1,573,807	**136,394,723**
VIRGINIA BEACH	.4138	61,799	**518,776,896**	(4,796,635)	(685,628)	(473,934)	(4,329,842)	(107,103)	6,011,795	**514,395,549**
WAYNESBORO	.3633	2,722	**29,711,869**	(597,347)	(194,589)	525,321	475,997	(4,733)	323,088	**30,239,606**
WILLIAMSBURG	.7426	1,067	**8,353,392**	(503,026)	(101,390)	7,925	(36,333)	(3,535)	51,231	**7,768,265**
WINCHESTER	.4151	4,058	**42,180,673**	(990,667)	(340,308)	15,249	(656,549)	(6,786)	412,647	**40,614,259**
FAIRFAX CITY	.8000	2,880	**13,721,756**	(759,223)	(33,548)	(35,990)	(30,247)	(10,200)	97,751	**12,950,299**
FRANKLIN CITY	.2884	1,000	**15,370,482**	(1,369,752)	(10,524)	(123,588)	16,457	(1,464)	136,612	**14,018,223**
CHESAPEAKE CITY	.3273	39,063	**394,865,277**	(8,030,811)	(786,451)	(3,044,984)	(2,715,716)	(53,285)	4,685,550	**384,919,580**
LEXINGTON	.3987	652	**5,644,639**	(255,002)	(15,085)	4,934	(77,919)	(903)	70,161	**5,370,825**
EMPORIA	.2340	840	**12,288,683**	(654,024)	(123,956)	7,062	(169,279)	(886)	105,173	**11,452,773**
SALEM	.3632	4,041	**35,080,896**	2,664,571	448	(56,569)	(15,297)	(4,652)	381,243	**38,050,639**
POQUOSON	.3466	2,044	**17,824,356**	499,755	15,778	80,516	(136,775)	(2,809)	223,445	**18,504,267**
MANASSAS CITY	.3371	7,859	**85,135,799**	5,128,310	(834,543)	11,228	(914,660)	(9,718)	812,532	**89,328,948**

Chapter 7: Direct Aid to Public Education Estimated Distribution, FY 2026										
	Key Data Elements			Technical Changes Only					Policy Action	
School Division	2024-26 Comp. Index	FY 2026 Projected ADM	FY 2026 Approp. (Ch.725)	Update Enrollment Estimates	Update English Learner Data	Update Non SOQ Programs	Update VPI Participation	Update Sales Tax	$1,500 Bonus	FY 2026 Estimated Distribution (Ch. 7)
MANASSAS PARK	.2716	3,013	**43,108,932**	(1,653,864)	(589,968)	(334,932)	45,910	(3,037)	366,311	**40,939,352**
COLONIAL BEACH	.3675	544	**6,727,092**	(126,523)	(10,125)	47,833	(44,134)	(748)	64,967	**6,658,362**
WEST POINT	.2489	827	**8,232,101**	416,729	15,068	36,094	56,827	(655)	98,543	**8,854,707**
TOTAL:		**1,196,460**	**$10,902,419,344**	**($111,776,833)**	**($30,164,924)**	**($12,985,926)**	**($33,109,858)**	**($2,222,583)**	**$117,586,508**	**$10,829,745,729**

Appendix B

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebench-marking Costs	Policy Actions							FY 2027 Estimated Distribution (Ch. 1)
	2026-28 Comp. Index	FY 2027 Projected ADM			4% Compensation Increase Supplement	Gov's School Expan-sion	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Increase Infrastructure & Operations Per Pupil	Sales Tax Updates	
ACCOMACK	.3548	4,279	**$51,552,946**	($103,281)	$1,100,291	$0	$50,166	$276,044	$131,428	$253,008	$28,071	**$53,288,673**
ALBEMARLE	.6429	13,353	**75,662,746**	9,900,441	1,768,529	0	52,881	493,148	38,313	436,944	170,347	**88,523,349**
ALLEGHANY HL	.2849	2,488	**33,797,994**	(2,663,727)	730,167	0	12,170	232,000	58,217	163,019	13,525	**32,343,365**
AMELIA	.3978	1,461	**15,664,881**	(567,654)	331,682	0	20,618	86,200	27,803	80,611	12,653	**15,656,794**
AMHERST	.3128	3,602	**41,989,823**	106,181	967,138	0	39,089	311,378	74,241	226,799	22,333	**43,736,982**
APPOMATTOX	.3043	2,267	**25,672,720**	619,559	591,898	0	26,015	123,239	43,645	144,523	12,853	**27,234,451**
ARLINGTON	.8000	26,674	**121,993,551**	1,463,261	2,255,563	0	18,815	796,391	27,209	488,850	395,645	**127,439,285**
AUGUSTA	.4040	9,365	**92,406,284**	(59,718)	2,111,176	0	130,406	483,479	103,140	511,486	69,759	**95,756,013**
BATH	.8000	490	**2,714,723**	149,848	46,365	0	5,720	14,190	3,996	0	6,444	**2,941,287**
BEDFORD	.3132	8,124	**84,347,442**	1,509,415	2,013,249	0	14,731	519,501	91,187	511,302	58,946	**89,065,773**
BLAND	.2671	738	**9,187,342**	8,257	221,349	0	4,625	86,118	13,486	49,574	2,908	**9,573,659**
BOTETOURT	.4192	4,218	**37,995,658**	1,251,889	942,724	0	9,094	295,046	23,641	224,474	31,348	**40,773,875**
BRUNSWICK	.4665	1,392	**17,602,607**	(363,888)	343,997	0	534	100,275	64,740	68,039	12,771	**17,829,074**
BUCHANAN	.2718	2,122	**27,327,464**	1,494,194	665,611	0	14,718	240,205	71,286	141,628	10,510	**29,965,614**
BUCKINGHAM	.3569	1,544	**19,657,884**	(470,971)	404,506	0	23,116	146,868	49,459	91,016	12,530	**19,914,408**
CAMPBELL	.3094	7,139	**77,923,844**	1,968,200	1,802,475	0	65,805	544,658	137,743	451,775	40,492	**82,934,992**
CAROLINE	.3478	4,192	**43,790,769**	1,159,038	1,020,094	0	56,004	297,118	77,312	250,516	31,203	**46,682,053**
CARROLL	.2964	3,123	**38,371,084**	(991,546)	873,211	0	31,541	266,560	84,892	201,380	17,640	**38,854,762**
CHARLES CITY	.7206	503	**4,199,767**	(105,133)	73,403	0	6,379	25,165	7,795	0	7,722	**4,215,099**
CHARLOTTE	.2420	1,524	**20,012,653**	(127,178)	464,226	0	7,791	103,911	43,477	105,864	6,968	**20,617,712**
CHESTERFIELD	.3564	62,086	**574,735,442**	24,360,685	14,297,955	0	544,260	3,857,709	564,865	3,661,606	388,727	**622,411,250**
CLARKE	.5542	1,799	**11,939,653**	1,508,537	311,212	0	3,911	63,795	5,391	73,491	20,422	**13,926,411**
CRAIG	.3987	459	**5,585,664**	15,464	126,067	0	10,074	66,961	8,533	0	3,920	**5,816,683**
CULPEPER	.3616	8,067	**82,049,141**	3,439,768	2,010,827	0	28,033	506,832	107,726	471,912	58,359	**88,672,597**
CUMBERLAND	.3367	1,132	**15,877,768**	(565,809)	345,171	0	7,698	86,683	40,085	68,778	7,847	**15,868,221**
DICKENSON	.2289	1,599	**21,633,699**	199,549	494,509	0	26,919	159,410	51,427	112,963	7,130	**22,685,607**

Chapter 1: Direct Aid to Public Education Estimated Distribution, FY 2027

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebench-marking Costs	Policy Actions							FY 2027 Estimated Distribution (Ch. 1)
	2026-28 Comp. Index	FY 2027 Projected ADM			4% Compensation Increase Supplement	Gov's School Expan-sion	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Increase Infrastructure & Operations Per Pupil	Sales Tax Updates	
DINWIDDIE	.3186	3,777	**45,811,023**	126,715	1,014,671	0	55,981	304,305	121,635	235,848	21,502	**47,691,681**
ESSEX	.5294	1,040	**10,454,937**	(943,494)	188,983	0	10,392	56,457	24,359	44,848	11,432	**9,847,915**
FAIRFAX	.6381	166,701	**1,077,647,238**	57,573,228	26,249,875	0	691,455	10,525,001	409,294	5,528,288	1,941,267	**1,180,565,646**
FAUQUIER	.5778	10,319	**73,655,279**	2,903,041	1,757,855	0	43,455	569,782	33,935	399,234	119,120	**79,481,701**
FLOYD	.4272	1,591	**15,268,547**	1,139,714	367,242	0	21,436	122,405	27,504	83,502	14,296	**17,044,645**
FLUVANNA	.4180	3,198	**30,747,401**	2,824,858	887,846	0	41,562	195,223	29,268	170,572	26,683	**34,923,413**
FRANKLIN	.4829	5,567	**50,068,541**	75,128	1,087,518	0	49,403	302,287	89,957	263,793	56,102	**51,992,729**
FREDERICK	.4204	14,156	**129,736,790**	814,149	3,059,156	0	100,826	693,503	116,098	751,840	108,697	**135,381,059**
GILES	.2184	4,127	**37,982,949**	8,180,718	1,156,669	0	17,328	348,534	61,719	295,581	8,510	**48,052,008**
GLOUCESTER	.4070	4,454	**43,230,144**	(1,334,135)	967,143	0	55,663	272,541	42,028	242,005	36,977	**43,512,366**
GOOCHLAND	.8000	2,601	**11,398,691**	293,358	189,680	0	0	48,177	4,754	47,663	41,756	**12,024,079**
GRAYSON	.3380	1,442	**18,222,543**	12,260	410,931	0	5,700	131,727	40,888	87,496	10,139	**18,921,683**
GREENE	.3703	2,718	**28,605,736**	(1,220,812)	638,179	0	22,841	150,086	31,972	156,811	21,598	**28,406,411**
GREENSVILLE	.3921	900	**11,239,089**	(290,232)	217,725	0	18,752	65,397	38,538	50,154	7,959	**11,347,382**
HALIFAX	.3177	3,910	**50,123,286**	(971,621)	1,061,903	0	43,011	323,951	129,611	244,487	24,834	**50,979,462**
HANOVER	.5099	15,817	**120,499,778**	(236,938)	2,789,136	0	74,163	889,357	42,313	710,333	149,802	**124,917,944**
HENRICO	.4334	48,825	**456,167,539**	(12,779,494)	10,011,229	0	395,069	2,436,403	548,245	2,535,020	371,190	**459,685,201**
HENRY	.2388	6,237	**85,184,420**	(2,718,135)	1,802,749	0	55,250	481,964	252,147	435,039	27,015	**85,520,448**
HIGHLAND	.7408	211	**2,329,632**	562,584	39,469	0	2,138	11,889	1,132	0	1,519	**2,948,363**
ISLE OF WIGHT	.3808	5,211	**48,230,625**	1,879,864	1,164,674	0	30,230	307,724	42,384	295,696	39,273	**51,990,470**
JAMES CITY	.5319	9,894	**72,039,779**	3,504,902	1,712,346	0	0	627,854	52,010	424,387	101,871	**78,463,149**
KING GEORGE	.3641	4,177	**40,026,454**	(42,021)	964,504	0	19,283	300,021	27,037	243,395	30,171	**41,568,843**
KING QUEEN	.4184	490	**6,103,502**	220,127	135,199	0	7,790	48,697	12,902	0	5,565	**6,533,782**
KING WILLIAM	.3273	2,035	**21,321,883**	129,581	532,448	0	0	129,909	23,183	125,468	11,723	**22,274,194**
LANCASTER	.8000	899	**5,123,868**	(124,846)	71,511	0	8,660	20,619	8,574	0	16,067	**5,124,453**
LEE	.1821	2,638	**43,994,045**	(1,409,267)	977,651	0	16,984	281,652	126,213	197,695	8,677	**44,193,650**
LOUDOUN	.5728	79,189	**567,721,854**	(11,334,399)	13,226,685	0	293,707	3,417,258	112,361	3,099,985	777,142	**577,314,593**
LOUISA	.5222	5,191	**41,508,544**	(84,411)	899,352	0	50,573	251,408	53,466	227,297	49,182	**42,955,410**
LUNENBURG	.2413	1,461	**20,177,907**	699,162	471,418	0	10,683	125,236	58,368	101,595	6,657	**21,651,025**

School Division	Key Data Elements: 2026-28 Comp. Index	Key Data Elements: FY 2027 Projected ADM	FY 2026 Appropriation (Ch. 725)	Technical & Rebench-marking Costs	Policy Actions: 4% Compensation Increase Supplement	Policy Actions: Gov's School Expan-sion	Policy Actions: Incr School Breakfast Rate to $0.50/meal	Policy Actions: Increase Special Education Add-On	Policy Actions: Increase At-Risk Add-On	Policy Actions: Increase Infrastructure & Operations Per Pupil	Policy Actions: Sales Tax Updates	FY 2027 Estimated Distribution (Ch. 1)
MADISON	.4873	1,481	**12,486,348**	902,436	298,231	0	17,970	52,216	16,681	69,577	15,974	**13,859,434**
MATHEWS	.6637	724	**5,879,980**	(123,650)	110,944	0	16,659	38,645	5,656	0	10,142	**5,938,377**
MECKLENBURG	.5018	3,507	**36,011,501**	(5,012,483)	645,363	0	40,201	121,995	67,808	160,109	32,241	**32,066,736**
MIDDLESEX	.6207	1,099	**9,036,867**	177,545	199,028	0	14,306	46,460	18,248	12,199	13,064	**9,517,717**
MONTGOMERY	.4054	8,898	**82,576,569**	1,561,270	1,998,163	0	31,853	512,009	66,622	484,834	75,322	**87,306,642**
NELSON	.7269	1,362	**9,954,125**	(1,165,406)	154,900	0	15,560	42,338	13,061	0	21,641	**9,036,218**
NEW KENT	.4550	3,625	**27,795,641**	1,665,903	718,595	0	22,320	201,271	11,473	181,031	26,422	**30,622,656**
NORTHAMPTON	.5719	1,201	**12,513,910**	(277,199)	229,277	0	11,517	57,111	37,809	47,095	15,113	**12,634,633**
NORTHUMBERLND	.7375	1,085	**5,970,435**	542,536	116,002	0	6,398	27,475	11,650	0	13,815	**6,688,311**
NOTTOWAY	.2820	1,639	**20,761,756**	1,469,654	485,372	0	11,702	119,335	68,277	107,818	9,724	**23,033,637**
ORANGE	.4317	4,582	**43,228,327**	725,007	985,027	0	67,445	249,691	56,674	238,637	41,097	**45,591,905**
PAGE	.3610	2,756	**28,932,312**	1,361,827	680,970	0	5,685	176,050	54,205	161,381	19,268	**31,391,698**
PATRICK	.2715	1,747	**25,545,532**	(3,440,958)	506,605	0	29,330	202,334	45,629	116,610	9,804	**23,014,886**
PITTSYLVANIA	.2715	7,069	**84,055,547**	(453,702)	2,015,856	0	100,444	459,589	165,998	471,881	34,281	**86,849,893**
POWHATAN	.5061	3,643	**30,313,538**	(2,537,823)	654,784	0	8,773	204,916	10,643	164,869	35,572	**28,855,271**
PRINCE EDWARD	.4022	1,775	**18,523,874**	1,320,698	395,551	0	23,181	100,001	53,309	97,242	16,187	**20,530,043**
PRINCE GEORGE	.2286	5,864	**66,053,731**	2,256,839	1,598,823	0	39,416	450,739	73,871	414,544	22,163	**70,910,126**
PRINCE WILLIAM	.3767	85,992	**886,808,337**	23,843,971	22,511,916	0	557,699	6,792,836	764,753	4,911,566	566,125	**946,757,203**
PULASKI	.3187	3,928	**44,503,070**	(1,645,639)	997,379	127,406	43,135	247,339	80,470	245,212	21,632	**44,620,005**
RAPPAHANNOCK	.8000	749	**3,725,826**	291,895	63,522	0	15,759	16,396	2,587	0	12,256	**4,128,242**
RICHMOND	.3251	1,349	**14,522,875**	277,207	334,123	0	20,217	89,286	28,732	83,454	6,338	**15,362,232**
ROANOKE	.3472	12,924	**121,352,007**	6,445,903	3,107,376	0	114,511	994,117	99,725	773,107	79,899	**132,966,645**
ROCKBRIDGE	.4829	2,135	**20,272,838**	(460,303)	437,563	0	18,327	119,392	29,168	101,150	22,544	**20,540,678**
ROCKINGHAM	.3851	11,268	**99,084,931**	12,170,727	2,581,641	0	83,689	504,864	105,549	634,923	86,070	**115,252,393**
RUSSELL	.2388	2,998	**37,883,036**	1,447,336	946,740	0	24,560	200,768	84,576	209,112	13,308	**40,809,436**
SCOTT	.1877	4,035	**55,047,382**	1,991,247	1,443,868	0	8,180	829,501	95,210	300,355	8,835	**59,724,579**
SHENANDOAH	.4042	5,395	**52,834,034**	2,251,472	1,240,673	0	40,045	295,256	95,325	294,553	43,942	**57,095,301**
SMYTH	.2422	3,478	**52,423,804**	(4,792,187)	1,070,276	0	9,802	333,584	121,579	241,514	16,015	**49,424,387**
SOUTHAMPTON	.3214	2,184	**25,250,577**	1,149,704	582,956	0	22,402	140,204	61,069	135,826	12,566	**27,355,303**

Chapter 1: Direct Aid to Public Education Estimated Distribution, FY 2027

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebench-marking Costs	Policy Actions							FY 2027 Estimated Distribution (Ch. 1)
	2026-28 Comp. Index	FY 2027 Projected ADM			4% Compensation Increase Supplement	Gov's School Expan-sion	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Increase Infrastructure & Operations Per Pupil	Sales Tax Updates	
SPOTSYLVANIA	.3783	23,184	**229,889,371**	8,744,707	5,570,813	0	231,110	1,868,302	282,720	1,320,780	164,130	**248,071,933**
STAFFORD	.3263	31,128	**302,785,832**	21,805,256	8,038,598	0	205,429	2,476,226	250,994	1,921,692	170,805	**337,654,831**
SURRY	.8000	664	**3,808,206**	286,463	65,639	0	12,127	21,398	6,440	0	10,308	**4,210,581**
SUSSEX	.3945	1,036	**13,797,787**	588,435	278,599	0	9,089	80,544	58,144	57,483	7,168	**14,877,249**
TAZEWELL	.2717	4,769	**57,570,401**	(331,175)	1,338,946	0	36,484	453,645	119,292	318,284	24,379	**59,530,257**
WARREN	.4482	4,595	**42,385,330**	833,855	962,828	0	86,951	226,888	59,868	232,348	46,099	**44,834,166**
WASHINGTON	.3681	6,461	**75,271,218**	(7,488,309)	1,650,114	46,538	55,094	536,392	92,999	374,115	41,072	**70,579,232**
WESTMORELAND	.5181	1,512	**17,110,616**	(131,042)	346,803	0	17,266	115,524	46,450	66,751	15,958	**17,588,326**
WISE	.1997	5,160	**65,102,379**	1,569,588	1,547,649	0	33,803	440,974	160,442	378,413	16,027	**69,249,274**
WYTHE	.3349	3,421	**38,446,085**	(828,384)	883,613	0	45,364	254,032	63,852	208,526	21,263	**39,094,351**
YORK	.3518	13,000	**114,963,904**	2,698,359	2,973,580	0	63,303	755,501	27,667	772,167	70,926	**122,325,407**
ALEXANDRIA	.8000	15,294	**77,222,070**	2,169,105	1,336,285	0	70,128	270,288	77,894	280,291	227,163	**81,653,224**
BRISTOL	.3321	1,955	**27,480,749**	(433,560)	558,349	0	21,465	182,906	83,818	119,674	12,664	**28,026,065**
BUENA VISTA	.2058	814	**12,540,237**	(1,145,728)	277,326	0	13,735	65,651	23,035	59,222	3,268	**11,836,746**
CHARLOTTESVILLE	.7666	4,041	**24,354,211**	(464,183)	349,470	0	7,434	78,597	22,641	86,418	69,565	**24,504,153**
COLONIAL HEIGHTS	.3824	2,889	**28,016,374**	3,701,522	691,349	0	40,823	226,647	72,373	163,522	18,840	**32,931,450**
DANVILLE	.2430	5,001	**72,725,420**	238,265	1,427,155	0	71,216	427,252	294,150	346,902	26,798	**75,557,159**
FALLS CHURCH	.8000	2,595	**11,452,143**	(277,422)	210,411	0	7,236	58,795	0	47,563	36,790	**11,535,517**
FREDERICKSBURG	.6033	3,322	**25,751,892**	2,568,134	558,618	0	38,141	143,188	58,580	120,749	38,408	**29,277,709**
GALAX	.2660	1,297	**15,896,875**	297,076	374,147	0	6,154	95,026	39,895	87,237	5,193	**16,801,602**
HAMPTON	.2525	18,432	**207,154,723**	9,940,743	4,898,965	0	215,527	1,336,161	499,871	1,262,548	83,674	**225,392,212**
HARRISONBURG	.3031	6,375	**71,176,747**	4,474,736	1,718,767	0	113,262	265,594	158,521	407,137	33,040	**78,347,803**
HOPEWELL	.2055	3,419	**47,529,671**	2,081,040	1,039,261	0	39,196	322,146	178,027	248,936	13,146	**51,451,423**
LYNCHBURG	.3974	7,094	**77,997,496**	3,433,411	1,652,367	0	70,667	463,906	203,768	391,700	66,338	**84,279,654**
MARTINSVILLE	.2162	1,558	**22,748,339**	529,112	481,254	0	26,377	134,044	82,201	111,899	7,585	**24,120,811**
NEWPORT NEWS	.2826	23,383	**283,931,379**	4,717,678	6,218,723	0	345,230	1,770,757	754,403	1,537,153	130,490	**299,405,813**
NORFOLK	.3393	24,181	**279,840,514**	5,097,539	5,842,347	0	231,945	1,883,259	737,691	1,464,008	177,677	**295,274,980**
NORTON	.2702	786	**9,957,342**	606,890	245,818	0	9,112	67,501	24,097	52,561	2,863	**10,966,185**
PETERSBURG	.2152	3,908	**57,357,241**	(2,016,147)	1,108,302	0	47,744	236,827	193,098	281,060	16,735	**57,224,859**

Chapter 1: Direct Aid to Public Education Estimated Distribution, FY 2027

School Division	Key Data Elements				Policy Actions							
	2026-28 Comp. Index	FY 2027 Projected ADM	FY 2026 Appropriation (Ch. 725)	Technical & Rebench-marking Costs	4% Compensation Increase Supplement	Gov's School Expan-sion	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Increase Infrastructure & Operations Per Pupil	Sales Tax Updates	FY 2027 Estimated Distribution (Ch. 1)
PORTSMOUTH	.2439	11,538	**152,927,912**	(2,597,067)	3,194,386	0	58,349	818,167	420,993	799,435	57,625	**155,679,800**
RADFORD	.1573	2,853	**36,812,322**	(2,900,084)	827,201	0	16,258	396,097	53,806	220,285	3,886	**35,429,771**
RICHMOND CITY	.5756	20,318	**187,370,413**	10,970,848	3,590,061	0	205,624	735,175	554,256	790,151	239,119	**204,455,646**
ROANOKE CITY	.3503	12,340	**160,126,906**	(2,462,115)	3,220,958	0	86,548	856,673	447,278	734,644	86,500	**163,097,392**
STAUNTON	.3999	2,577	**27,848,786**	1,470,359	570,801	0	45,255	133,591	47,624	141,692	22,013	**30,280,121**
SUFFOLK	.3639	14,044	**134,381,378**	442,421	3,149,317	0	157,265	770,231	173,702	818,610	98,890	**139,991,814**
VIRGINIA BEACH	.4172	61,299	**518,776,897**	12,573,821	12,520,516	0	439,213	3,533,059	407,077	3,273,665	468,300	**551,992,548**
WAYNESBORO	.3809	2,705	**29,711,870**	1,778,537	655,860	0	38,872	170,259	69,861	153,474	21,751	**32,600,484**
WILLIAMSBURG	.7264	1,051	**8,353,393**	(397,915)	110,655	0	77,096	38,689	3,439	0	15,784	**8,201,141**
WINCHESTER	.4121	4,017	**42,180,674**	(712,946)	932,727	0	44,705	193,037	66,148	216,384	30,696	**42,951,426**
FAIRFAX CITY	.8000	2,824	**13,721,756**	(625,628)	246,480	0	0	98,717	3,930	51,749	43,683	**13,540,687**
FRANKLIN CITY	.2986	980	**15,370,483**	(1,943,649)	271,095	0	5,221	66,412	52,302	62,972	6,636	**13,891,473**
CHESAPEAKE CITY	.3209	38,953	**394,865,278**	1,230,775	9,660,811	0	333,859	2,818,976	289,033	2,424,045	227,307	**411,850,084**
LEXINGTON	.4196	645	**5,644,639**	(396,479)	131,655	0	937	15,774	2,541	0	4,182	**5,403,249**
EMPORIA	.2534	845	**12,288,683**	(28,204)	260,883	0	0	75,483	45,468	57,783	4,106	**12,704,202**
SALEM	.3503	3,995	**35,080,896**	4,387,351	937,006	0	12,038	295,129	49,301	237,815	19,432	**41,018,967**
POQUOSON	.3806	2,047	**17,824,356**	370,631	449,302	0	8,469	116,747	4,502	116,195	13,892	**18,904,094**
MANASSAS CITY	.3285	7,865	**85,135,799**	9,434,390	2,245,843	0	73,190	363,304	158,646	483,944	41,659	**97,936,775**
MANASSAS PARK	.2790	2,947	**43,108,932**	(2,756,604)	954,088	0	43,131	293,733	75,802	194,692	14,190	**41,927,963**
COLONIAL BEACH	.3805	531	**6,727,092**	(812,752)	136,375	0	5,500	33,041	10,287	0	3,416	**6,102,959**
WEST POINT	.2524	834	**8,232,101**	704,303	226,729	0	16,178	46,877	6,592	57,137	2,945	**9,292,863**
TOTAL:		**1,187,485**	**$10,902,419,399**	**$223,524,754**	**$254,417,511**	**$173,944**	**$8,613,647**	**$74,375,111**	**$14,474,808**	**$60,000,000**	**$9,783,542**	**$11,547,782,716**

Appendix C

Chapter 1: Direct Aid to Public Education Estimated Distribution, FY 2028											
School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmark -ing Costs	Policy Actions						FY 2028 Estimated Distribution (Ch. 1)
	2026-28 Comp. Index	FY 2028 Projected ADM			4% Compensation Increase Supplement	Gov's School Exp.	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Sales Tax Updates	
ACCOMACK	.3548	4,192	**$51,552,946**	($994,211)	$2,198,813	$0	$49,495	$273,965	$128,754	$29,608	**$53,239,370**
ALBEMARLE	.6429	13,303	**75,662,746**	10,266,499	3,604,333	0	52,585	490,647	38,386	179,681	**90,294,877**
ALLEGHANY HL	.2849	2,437	**33,797,994**	(3,212,114)	1,459,233	0	13,286	228,535	57,003	14,266	**32,358,203**
AMELIA	.3978	1,444	**15,664,881**	(643,890)	670,043	0	20,775	85,366	27,543	13,345	**15,838,063**
AMHERST	.3128	3,563	**41,989,823**	(177,122)	1,954,443	0	38,039	318,545	73,570	23,556	**44,220,854**
APPOMATTOX	.3043	2,262	**25,672,720**	621,509	1,205,282	0	26,015	122,085	43,556	13,559	**27,704,725**
ARLINGTON	.8000	26,520	**121,993,551**	1,966,543	4,600,796	0	21,754	782,085	27,141	417,324	**129,809,194**
AUGUSTA	.4040	9,269	**92,406,284**	(638,743)	4,268,131	0	132,179	479,777	102,283	73,581	**96,823,491**
BATH	.8000	496	**2,714,723**	185,346	95,654	0	6,105	14,367	4,044	6,797	**3,027,036**
BEDFORD	.3132	7,950	**84,347,442**	9,909	4,019,864	0	9,575	510,778	89,250	62,176	**89,048,994**
BLAND	.2671	729	**9,187,342**	(51,049)	448,035	0	4,116	83,134	13,381	3,069	**9,688,029**
BOTETOURT	.4192	4,190	**37,995,658**	1,124,950	1,911,178	0	7,702	294,273	23,522	33,066	**41,390,350**
BRUNSWICK	.4665	1,407	**17,602,607**	(152,968)	708,847	0	0	102,835	65,413	13,471	**18,340,205**
BUCHANAN	.2718	2,123	**27,327,464**	1,504,394	1,358,593	0	12,059	241,911	71,350	11,086	**30,526,857**
BUCKINGHAM	.3569	1,496	**19,657,884**	(969,533)	800,060	0	27,889	146,264	47,938	13,217	**19,723,719**
CAMPBELL	.3094	7,055	**77,923,844**	1,353,140	3,638,846	0	65,805	540,816	136,364	42,710	**83,701,524**
CAROLINE	.3478	4,172	**43,790,769**	1,047,727	2,073,201	0	62,625	292,410	77,066	32,912	**47,376,711**
CARROLL	.2964	3,076	**38,371,084**	(1,432,564)	1,757,831	0	30,088	265,217	83,759	18,607	**39,094,022**
CHARLES CITY	.7206	509	**4,199,767**	(55,331)	151,543	0	6,650	25,588	7,884	8,146	**4,344,246**
CHARLOTTE	.2420	1,484	**20,012,653**	(599,192)	922,603	0	8,752	101,073	42,334	7,350	**20,495,573**
CHESTERFIELD	.3564	62,049	**574,735,442**	25,824,290	29,190,321	0	540,137	3,844,059	566,349	410,028	**635,110,626**
CLARKE	.5542	1,798	**11,939,653**	1,554,749	634,903	0	3,273	63,746	5,397	21,541	**14,223,261**
CRAIG	.3987	461	**5,585,664**	38,365	257,912	0	12,458	66,847	8,553	4,136	**5,973,935**
CULPEPER	.3616	8,030	**82,049,141**	3,449,793	4,097,684	0	28,211	502,796	107,773	61,557	**90,296,956**
CUMBERLAND	.3367	1,126	**15,877,768**	(616,001)	701,038	0	7,821	85,974	39,872	8,277	**16,104,749**
DICKENSON	.2289	1,576	**21,633,699**	(67,071)	994,565	0	30,851	161,778	50,688	7,521	**22,812,031**
DINWIDDIE	.3186	3,692	**45,811,023**	(716,781)	2,026,741	0	63,052	300,756	119,107	22,680	**47,626,578**

Chapter 1: Direct Aid to Public Education Estimated Distribution, FY 2028

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmark-ing Costs	Policy Actions						FY 2028 Estimated Distribution (Ch. 1)
	2026-28 Comp. Index	FY 2028 Projected ADM			4% Compensation Increase Supplement	Gov's School Exp.	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Sales Tax Updates	
ESSEX	.5294	1,030	**10,454,937**	(990,416)	382,153	0	10,090	56,714	24,160	12,059	**9,949,697**
FAIRFAX	.6381	165,418	**1,077,647,238**	54,284,910	53,100,528	0	729,240	10,444,918	405,211	2,047,638	**1,198,659,683**
FAUQUIER	.5778	10,243	**73,655,279**	2,797,402	3,565,420	0	46,657	555,917	33,823	125,646	**80,780,145**
FLOYD	.4272	1,584	**15,268,547**	1,122,284	746,668	0	21,400	123,042	27,418	15,079	**17,324,439**
FLUVANNA	.4180	3,186	**30,747,401**	2,895,835	1,812,993	0	51,509	195,295	29,188	28,145	**35,760,366**
FRANKLIN	.4829	5,442	**50,068,541**	(759,429)	2,169,838	0	46,401	299,493	88,003	59,176	**51,972,024**
FREDERICK	.4204	14,211	**129,736,790**	2,067,392	6,288,863	0	106,100	685,846	117,378	114,654	**139,117,022**
GILES	.2184	4,263	**37,982,949**	9,625,886	2,434,198	0	21,997	355,239	63,724	8,976	**50,492,969**
GLOUCESTER	.4070	4,361	**43,230,144**	(2,002,017)	1,932,983	0	60,686	267,516	41,187	39,002	**43,569,502**
GOOCHLAND	.8000	2,607	**11,398,691**	420,332	388,475	0	0	48,031	4,779	44,045	**12,304,353**
GRAYSON	.3380	1,422	**18,222,543**	(175,555)	826,895	0	4,404	131,114	40,338	10,695	**19,060,434**
GREENE	.3703	2,709	**28,605,736**	(1,207,869)	1,300,210	0	18,405	152,036	31,969	22,781	**28,923,267**
GREENSVILLE	.3921	888	**11,239,089**	(414,038)	438,267	0	20,808	64,718	38,056	8,395	**11,395,295**
HALIFAX	.3177	3,830	**50,123,286**	(1,752,702)	2,124,223	0	46,913	320,891	127,112	26,195	**51,015,917**
HANOVER	.5099	15,613	**120,499,778**	(1,122,246)	5,620,089	0	76,988	879,829	41,835	158,010	**126,154,283**
HENRICO	.4334	48,688	**456,167,539**	(11,581,963)	20,481,018	0	399,363	2,417,615	549,188	391,530	**468,824,290**
HENRY	.2388	6,127	**85,184,420**	(3,890,335)	3,620,475	0	54,549	477,364	248,123	28,496	**85,723,091**
HIGHLAND	.7408	218	**2,329,632**	643,244	83,106	0	2,260	12,582	1,174	1,602	**3,073,599**
ISLE OF WIGHT	.3808	5,147	**48,230,625**	1,448,719	2,347,627	0	35,462	306,486	41,892	41,425	**52,452,236**
JAMES CITY	.5319	9,812	**72,039,779**	3,469,713	3,476,890	0	0	622,259	51,893	107,452	**79,767,986**
KING GEORGE	.3641	4,123	**40,026,454**	(434,317)	1,943,317	0	14,988	293,114	26,715	31,823	**41,902,094**
KING QUEEN	.4184	458	**6,103,502**	(95,476)	258,864	0	11,131	46,284	12,093	5,870	**6,342,267**
KING WILLIAM	.3273	2,034	**21,321,883**	156,469	1,085,973	0	0	129,099	23,176	12,365	**22,728,965**
LANCASTER	.8000	885	**5,123,868**	(127,145)	143,853	0	10,272	20,361	8,462	16,947	**5,196,618**
LEE	.1821	2,608	**43,994,045**	(1,799,504)	1,973,190	0	20,322	281,806	124,856	9,151	**44,603,866**
LOUDOUN	.5728	79,292	**567,721,854**	(8,829,623)	27,054,540	0	297,204	3,432,852	112,432	819,725	**590,608,984**
LOUISA	.5222	5,260	**41,508,544**	475,524	1,858,320	0	49,451	251,995	54,144	51,877	**44,249,855**
LUNENBURG	.2413	1,437	**20,177,907**	434,902	948,660	0	10,844	123,395	57,617	7,023	**21,760,348**
MADISON	.4873	1,448	**12,486,348**	719,589	596,150	0	18,418	52,519	16,343	16,850	**13,906,217**
MATHEWS	.6637	710	**5,879,980**	(175,219)	222,311	0	21,195	38,591	5,552	10,697	**6,003,107**

Chapter 1: Direct Aid to Public Education Estimated Distribution, FY 2028

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmark-ing Costs	Policy Actions						FY 2028 Estimated Distribution (Ch. 1)
	2026-28 Comp. Index	FY 2028 Projected ADM			4% Compensation Increase Supplement	Gov's School Exp.	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Sales Tax Updates	
MECKLENBURG	.5018	3,462	**36,011,501**	(5,236,158)	1,301,682	0	40,596	120,590	67,070	34,008	**32,339,288**
MIDDLESEX	.6207	1,079	**9,036,867**	94,872	400,346	0	14,925	45,135	17,919	13,779	**9,623,843**
MONTGOMERY	.4054	8,787	**82,576,569**	938,874	4,032,363	0	34,623	508,151	65,983	79,449	**88,236,012**
NELSON	.7269	1,342	**9,954,125**	(1,199,988)	311,728	0	15,988	42,471	12,896	22,826	**9,160,046**
NEW KENT	.4550	3,695	**27,795,641**	2,252,702	1,495,481	0	22,940	203,828	11,722	27,870	**31,810,183**
NORTHAMPTON	.5719	1,182	**12,513,910**	(367,027)	461,854	0	12,731	61,090	37,306	15,942	**12,735,806**
NORTHUMBERLAND	.7375	1,071	**5,970,435**	527,054	234,301	0	6,578	27,318	11,530	14,572	**6,791,788**
NOTTOWAY	.2820	1,627	**20,761,756**	1,392,673	984,667	0	11,945	119,726	67,878	10,257	**23,348,903**
ORANGE	.4317	4,513	**43,228,327**	317,091	1,981,137	0	70,239	245,025	55,911	43,350	**45,941,080**
PAGE	.3610	2,731	**28,932,312**	1,141,469	1,376,478	0	3,399	178,294	53,705	20,324	**31,705,980**
PATRICK	.2715	1,725	**25,545,532**	(3,643,023)	1,021,527	0	32,500	206,577	45,105	10,342	**23,218,559**
PITTSYLVANIA	.2715	7,051	**84,055,547**	(508,030)	4,105,382	0	104,505	462,406	165,715	36,160	**88,421,685**
POWHATAN	.5061	3,518	**30,313,538**	(3,245,769)	1,291,661	0	8,441	202,558	10,299	37,521	**28,618,249**
PRINCE EDWARD	.4022	1,793	**18,523,874**	1,573,582	816,512	0	22,723	102,955	53,924	17,075	**21,110,645**
PRINCE GEORGE	.2286	5,760	**66,053,731**	1,762,433	3,209,217	0	35,833	440,989	72,771	23,378	**71,598,351**
PRINCE WILLIAM	.3767	85,296	**886,808,337**	18,913,172	45,572,179	0	582,613	6,722,026	759,054	597,146	**959,954,528**
PULASKI	.3187	3,853	**44,503,070**	(2,365,763)	2,006,480	240,911	42,700	239,234	79,003	22,819	**44,768,454**
RAPPAHANNOCK	.8000	766	**3,725,826**	373,736	132,217	0	19,371	16,379	2,634	12,928	**4,283,090**
RICHMOND	.3251	1,357	**14,522,875**	364,724	684,358	0	22,145	88,637	28,834	6,685	**15,718,259**
ROANOKE	.3472	12,792	**121,352,007**	5,592,215	6,282,878	0	122,567	990,521	98,949	84,277	**134,523,414**
ROCKBRIDGE	.4829	2,106	**20,272,838**	(609,383)	882,221	0	18,584	117,579	28,850	23,779	**20,734,468**
ROCKINGHAM	.3851	11,330	**99,084,931**	13,382,970	5,314,947	0	94,353	505,956	106,826	90,786	**118,580,769**
RUSSELL	.2388	2,957	**37,883,036**	1,036,496	1,907,414	0	26,409	201,867	83,412	14,037	**41,152,671**
SCOTT	.1877	4,052	**55,047,382**	2,284,822	2,957,530	0	5,601	851,736	95,636	9,319	**61,252,027**
SHENANDOAH	.4042	5,381	**52,834,034**	2,279,826	2,527,499	0	36,698	296,462	95,239	46,349	**58,116,107**
SMYTH	.2422	3,418	**52,423,804**	(5,485,076)	2,147,026	0	8,436	328,784	119,570	16,893	**49,559,436**
SOUTHAMPTON	.3214	2,146	**25,250,577**	716,085	1,167,580	0	20,413	132,854	60,007	13,254	**27,360,770**
SPOTSYLVANIA	.3783	23,112	**229,889,371**	8,906,288	11,353,562	0	222,456	1,841,598	282,851	173,125	**252,669,250**
STAFFORD	.3263	31,085	**302,785,832**	22,546,680	16,420,549	0	218,184	2,464,615	251,960	180,163	**344,867,984**
SURRY	.8000	670	**3,808,206**	335,339	135,278	0	14,093	22,450	6,504	10,873	**4,332,743**

Chapter 1: Direct Aid to Public Education Estimated Distribution, FY 2028

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmark -ing Costs	Policy Actions						FY 2028 Estimated Distribution (Ch. 1)
	2026-28 Comp. Index	FY 2028 Projected ADM			4% Compensation Increase Supplement	Gov's School Exp.	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Sales Tax Updates	
SUSSEX	.3945	1,044	**13,797,787**	722,155	573,164	0	10,058	81,075	58,622	7,561	**15,250,423**
TAZEWELL	.2717	4,701	**57,570,401**	(1,136,223)	2,687,109	0	35,510	452,532	117,404	25,715	**59,752,448**
WARREN	.4482	4,479	**42,385,330**	47,618	1,917,953	0	86,539	223,114	58,506	48,625	**44,767,685**
WASHINGTON	.3681	6,405	**75,271,218**	(7,673,244)	3,348,666	46,548	55,240	534,461	92,277	43,323	**71,718,489**
WESTMORELAND	.5181	1,523	**17,110,616**	(8,915)	711,731	0	15,444	115,408	46,715	16,833	**18,007,832**
WISE	.1997	5,078	**65,102,379**	566,641	3,107,262	0	29,288	435,549	157,899	16,904	**69,415,923**
WYTHE	.3349	3,320	**38,446,085**	(1,712,103)	1,752,011	0	45,594	252,286	62,073	22,427	**38,868,374**
YORK	.3518	13,012	**114,963,904**	3,014,305	6,075,904	0	60,262	746,130	27,725	74,813	**124,963,042**
ALEXANDRIA	.8000	15,140	**77,222,070**	2,336,538	2,705,559	0	71,497	263,615	77,361	239,609	**82,916,248**
BRISTOL	.3321	1,914	**27,480,749**	(798,805)	1,117,614	0	21,953	181,954	82,193	13,359	**28,099,017**
BUENA VISTA	.2058	817	**12,540,237**	(1,083,661)	568,171	0	14,846	65,189	23,138	3,448	**12,131,368**
CHARLOTTESVILLE	.7666	4,002	**24,354,211**	(326,680)	707,224	0	10,389	76,990	22,471	73,376	**24,917,981**
COLONIAL HEIGHTS	.3824	2,914	**28,016,374**	4,071,396	1,425,215	0	43,327	224,395	73,131	19,871	**33,873,710**
DANVILLE	.2430	4,959	**72,725,420**	(151,461)	2,892,304	0	75,611	429,176	292,138	28,267	**76,291,455**
FALLS CHURCH	.8000	2,607	**11,452,143**	(156,033)	431,463	0	7,350	57,461	0	38,805	**11,831,190**
FREDERICKSBURG	.6033	3,249	**25,751,892**	2,297,433	1,121,169	0	41,313	140,766	57,723	40,512	**29,450,807**
GALAX	.2660	1,287	**15,896,875**	197,648	758,102	0	6,267	93,958	39,656	5,477	**16,997,983**
HAMPTON	.2525	18,300	**207,154,723**	9,051,769	9,928,713	0	221,252	1,369,141	496,600	88,259	**228,310,458**
HARRISONBURG	.3031	6,358	**71,176,747**	4,425,240	3,500,947	0	111,361	261,185	158,288	34,851	**79,668,619**
HOPEWELL	.2055	3,360	**47,529,671**	1,417,511	2,089,485	0	47,219	317,742	175,515	13,867	**51,591,009**
LYNCHBURG	.3974	7,047	**77,997,496**	3,319,824	3,300,673	0	75,861	465,335	202,855	69,973	**85,432,017**
MARTINSVILLE	.2162	1,522	**22,748,339**	124,751	960,919	0	26,831	132,210	80,432	8,000	**24,081,482**
NEWPORT NEWS	.2826	22,939	**283,931,379**	206,127	12,397,052	0	372,554	1,760,065	741,106	137,641	**299,545,924**
NORFOLK	.3393	23,878	**279,840,514**	2,903,771	11,915,266	0	248,589	1,877,580	730,196	187,412	**297,703,328**
NORTON	.2702	788	**9,957,342**	651,354	503,375	0	9,794	68,848	24,185	3,020	**11,217,918**
PETERSBURG	.2152	3,867	**57,357,241**	(2,292,096)	2,250,842	0	51,179	230,232	191,977	17,652	**57,807,027**
PORTSMOUTH	.2439	11,263	**152,927,912**	(5,305,244)	6,379,667	0	72,017	808,807	412,071	60,782	**155,356,012**
RADFORD	.1573	2,779	**36,812,322**	(3,663,073)	1,645,850	0	22,696	413,128	52,554	4,098	**35,287,575**
RICHMOND CITY	.5756	20,391	**187,370,413**	12,573,412	7,320,731	0	225,878	736,045	557,072	252,222	**209,035,772**
ROANOKE CITY	.3503	12,167	**160,126,906**	(3,686,363)	6,513,508	0	82,871	837,552	443,193	91,239	**164,408,906**

Chapter 1: Direct Aid to Public Education Estimated Distribution, FY 2028

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmark-ing Costs	Policy Actions						FY 2028 Estimated Distribution (Ch. 1)
	2026-28 Comp. Index	FY 2028 Projected ADM			4% Compensation Increase Supplement	Gov's School Exp.	Incr School Breakfast Rate to $0.50/meal	Increase Special Education Add-On	Increase At-Risk Add-On	Sales Tax Updates	
STAUNTON	.3999	2,605	**27,848,786**	1,936,074	1,177,824	0	46,264	136,883	48,191	23,219	**31,217,241**
SUFFOLK	.3639	14,102	**134,381,378**	1,304,836	6,460,099	0	168,323	770,219	174,797	104,308	**143,363,960**
VIRGINIA BEACH	.4172	61,133	**518,776,897**	12,902,011	25,490,017	0	470,392	3,541,074	406,486	493,961	**562,080,838**
WAYNESBORO	.3809	2,685	**29,711,870**	1,778,856	1,333,911	0	37,289	169,980	69,722	22,943	**33,124,571**
WILLIAMSBURG	.7264	1,043	**8,353,393**	(317,279)	224,784	0	82,620	38,208	3,425	16,649	**8,401,800**
WINCHESTER	.4121	3,997	**42,180,674**	(718,652)	1,896,570	0	47,918	189,111	65,980	32,379	**43,693,979**
FAIRFAX CITY	.8000	2,782	**13,721,756**	(635,888)	497,159	0	0	97,340	3,898	46,077	**13,730,342**
FRANKLIN CITY	.2986	974	**15,370,483**	(1,945,059)	552,326	0	5,352	74,823	52,204	6,999	**14,117,128**
CHESAPEAKE CITY	.3209	38,893	**394,865,278**	1,296,944	19,676,596	0	370,955	2,807,617	288,756	239,762	**419,545,909**
LEXINGTON	.4196	642	**5,644,639**	(424,598)	266,260	0	838	15,344	2,514	4,412	**5,509,409**
EMPORIA	.2534	849	**12,288,683**	47,108	535,639	0	0	75,818	45,622	4,330	**12,997,200**
SALEM	.3503	3,951	**35,080,896**	4,089,510	1,893,706	0	10,967	293,938	48,870	20,497	**41,438,384**
POQUOSON	.3806	2,057	**17,824,356**	478,775	920,862	0	7,538	117,488	4,531	14,653	**19,368,203**
MANASSAS CITY	.3285	7,970	**85,135,799**	10,737,605	4,638,193	0	75,630	363,753	160,546	43,943	**101,155,468**
MANASSAS PARK	.2790	2,871	**43,108,932**	(3,597,388)	1,903,576	0	43,333	288,506	74,236	14,968	**41,836,162**
COLONIAL BEACH	.3805	518	**6,727,092**	(938,334)	271,273	0	4,961	31,967	10,032	3,603	**6,110,593**
WEST POINT	.2524	842	**8,232,101**	817,055	467,835	0	19,400	47,614	6,680	3,106	**9,593,791**
TOTAL:		**1,180,137**	**$10,902,419,399**	**$194,643,042**	**$516,306,923**	**$287,459**	**$8,971,314**	**$74,011,971**	**$14,376,750**	**$10,319,628**	**$11,721,336,486**

Appendix D

CH 1: DETAIL OF CAPITAL OUTLAY: TOTAL FOR THE 2026-2028 BIENNIUM					
Title	General Fund	General Fund Bonds	Nongeneral Fund Cash	Nongeneral Fund Bonds	Total
GENERAL CONDITIONS					
--Increase MR Threshold from $2M to $3M ($4M to $5M for roof projects)					**Language**
--Amend Transfer Authorization Between Capital Pools					
ADMINISTRATION					
Department of General Services for Fort Monroe Authority					
--Inner Fort Monroe Utility Master Plan Improvements	$12,800,000				**$12,800,000**
--African Landing Memorial Visitor Amenities & Landscape Plan	3,000,000				**3,000,000**
Department of General Services					
--New State Agency Building/State Employee Childcare Center	35,000,000				**35,000,000**
--DGS Parking Maintenance	15,000,000				**15,000,000**
Total: Administration	**65,800,000**				**65,800,000**
EDUCATION					
Christopher Newport University – Address Deferred Maintenance	10,000,000				**10,000,000**
George Mason University – Address Deferred Maintenance	35,250,000				**35,250,000**
James Madison University					
--Blanket Property Acquisition			3,000,000		**3,000,000**
--Renovate & Expand East Campus Dining Hall			14,170,000		**14,170,000**
--Construct New Parking Deck			18,260,000	20,000,000	**38,260,000**
--Renovate & Expand Festival Conference & Student Center				28,840,000	**28,840,000**
University of Mary Washington -- Address Deferred Maintenance	7,385,714				**7,385,714**
Virginia Community College System					
--Nongeneral Fund Capital Outlay Blanket Authorization			12,500,000		**12,500,000**
--Improve Life Safety & Security Systemwide, Phase I			7,480,000		**7,480,000**
--Repair/Replace Mech. Systs, NOVA, New River & Mountain Empire			20,400,000		**20,400,000**
--Re-roof and Replace HVAC - Multiple Buildings			6,200,000		**6,200,000**
Virginia Tech -- Construct New Business Building			56,500,000	37,500,000	**94,000,000**
Jamestown Yorktown Foundation- Address Deferred Maintenance	5,500,000				**5,500,000**
Total: Education	**58,135,714**		**138,510,000**	**86,340,000**	**286,485,714**

CH 1: DETAIL OF CAPITAL OUTLAY: TOTAL FOR THE 2026-2028 BIENNIUM					
HEALTH & HUMAN RESOURCES					
Department of Behavioral Health & Developmental Services					
--Renovate, Repair, & Upgrade Facilities	33,015,494				**33,015,494**
--Central State Training Center Demolition	10,000,000				**10,000,000**
Total: Health and Human Resources	**43,015,494**				**43,015,494**
NATURAL RESOURCES					
Department of Conservation & Recreation					
--Acquire Land for Natural Area Preserves			10,200,000		**10,200,000**
--Accept Oak Hill Property (upon completion of due diligence efforts)			Language		**Language**
--Parks Deferred Maintenance	40,000,000				**40,000,000**
--Land Acquisition for State Parks (NGF)			2,000,000		**2,000,000**
Department of Wildlife Resources					
-- Maintenance Reserve			1,250,000		**1,250,000**
--Acquire Land and Property			10,000,000		**10,000,000**
-- Repair and Upgrade Lake Shenandoah Dam	3,235,000				**3,235,000**
Total: Natural Resources	**43,235,000**		**23,450,000**		**66,685,000**
PUBLIC SAFETY					
Department of Corrections --Provide HVAC in State Prisons	40,000,000				**40,000,000**
Total: Public Safety	**40,000,000**				**40,000,000**
TRANSPORTATION					
Department of Motor Vehicles					
--Maintenance Reserve			14,243,400		**14,243,400**
--Renovate/Replace DMV Headquarters			Language		**Language**
Department of Transportation					
--Maintenance Reserve			10,000,000		**10,000,000**
--Acquire, Design, Construct & Renovate Agency Facilities			76,000,000		**76,000,000**
Virginia Port Authority					
--Cargo Handling Facilities			87,500,000		**87,500,000**
--Expand Empty Yard			129,800,000		**129,800,000**
Total: Transportation			**317,543,400**		**317,543,400**
VETERANS & DEFENSE AFFAIRS					
Department of Military Affairs -- Improve Readiness Centers	2,800,000				**2,800,000**
Department of Veterans Services -- Maintenance Needs at State VCCs	2,208,000				**2,208,000**

CH 1: DETAIL OF CAPITAL OUTLAY: TOTAL FOR THE 2026-2028 BIENNIUM					
--Adjust scope of Improve Dublin Veterans Cemetery Project	Language				**Language**
Total: Veterans Affairs & Homeland Security	**5,008,000**				**5,008,000**
CENTRAL APPROPRIATIONS – Central Capital Outlay					
--**Maintenance Reserve** (MR) Allocations	410,000,000				**410,000,000**
--**Maintenance Reserve Policy**					**Language**
--Agencies must prioritize roof projects					
--Allow DOC use of MR for larger infrastructure projects					
-- **Equipment Pool** – 7 projects:	49,275,000				**49,275,000**
-- SMV: Construct Regional Science Center in NOVA					
-- VSU: Construct Admissions Building					
-- JMU: Renovate Johnston Hall					
-- ODU: Construct a New Biology Building					
-- NSU: Replacement Science Building					
-- VSU Co-op Ext: Renovate Summerseat for Urban Ag. Ctr					
-- VCU: New Arts and Innovation Building					
-- **Planning Pool** -- 7 projects:	7,769,388		12,434,511		**20,203,899**
-- DGS: Construct New Pharmacy Office and Cold Storage					
-- DJJ: Modernize Utility Systems at Bon Air Juvenile Corr Ctr					
-- UMW: Renovate Simpson Library					
-- UVA: Construct Engineering Building (HEO)					
-- VIMS: Replace Fisheries Science Research Building					
-- W&M: Construct Sunken Garden Geothermal Field					
-- W&M: Renovate Sunken Garden District (HEO)					
--**2026 Construction Pool** – 19 projects:	732,857,532	1,056,148,618	148,385,987	26,100,000	**1,963,492,137**
-- DGS: Commonwealth Courts Building					
-- DJJ: Replace Emergency Back-up Generator at Bon Air Juvenile Correctional Center Cottages					
-- IALR: Expand Center for Manufacturing Advancement					
-- JMU: Renovate Johnston Hall					
-- JMU: Expand College of Health & Behavioral Studies					
-- LU: Replace Roof, Windows, and External Doors at Lankford Hall					
-- LU: Update Coyner Hall Systems					
-- ODU: Construct Engineering and Arts Building					
-- RHEC: Replace Historic Windows					
-- UVA: Construct Center for the Arts					
-- UVA-Wise: Renovate Darden Hall					
-- VCCS: Renovate Amherst/Campbell Hall, Central Virginia					
-- VCU: Acquire Altria Building					
-- VCU: Construct New School of Dentistry					

CH 1: DETAIL OF CAPITAL OUTLAY: TOTAL FOR THE 2026-2028 BIENNIUM					
-- VIMS: Construct Marine Operations Administration Complex -- VSDB: Upgrade Mass Communication System -- VSU: Renovate Virginia Hall -- VT: Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute -- VT: Renovate Derring Hall -- Transfer in of Available Balances to offset pool costs					
-- **Capital Supplement Pool**					**Language**
-- **VSP Area 13 Barracks Project Scope Change** (2018 Pool)					**Language**
-- **DGS LVA Records Scope Change** (2020 VPBA Pool)					**Language**
-- **VSP Area 5 & 11 Office Project Scope Changes** (2022 Pool)					**Language**
-- **VSP Acquire Division 6 Headquarters Scope Change** (2025 Pool)					**Language**
--**Workforce Development Projects**	12,020,120				**12,020,120**
-- **Capital Lease Authorizations**					**Language**
-- **Capital Project Balance Transfers**					**Language**
-- **9(d) Revenue Bond Authorizations**					**Language**
Total: Central Appropriations	**1,211,922,040**	**1,056,148,618**	**160,820,498**	**26,100,000**	**2,021,997,215**
INDEPENDENT AGENCIES					
State Corp. Commission – Scope Change for Headquarters Renovation			94,000,000		**94,000,000**
Total: Capital Outlay	**$1,467,116,248**	**$1,056,148,618**	**$640,323,898**	**$112,440,000**	**$2,846,534,823**