

2023 SESSION

HOUSE SUBSTITUTE

23107602D

HOUSE BILL NO. 1400

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Joint Conference Committee
on February 25, 2023)

(Patron Prior to Substitute—Delegate Knight)

A BILL to amend and reenact Items 267 and 269 of Chapter 2 of the Acts of Assembly of 2022, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, and to amend Chapter 2 of the Acts of Assembly of 2022, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, by adding items numbered 138.10 and C-79.50, relating to general appropriation act.

Be it enacted by the General Assembly of Virginia:

1. That Items 267 and 269 of Chapter 2 of the Acts of Assembly of 2022, Special Session I are amended and reenacted and that Chapter 2 of the Acts of Assembly of 2022, Special Session I is amended and reenacted by adding items numbered 138.10 and C-79.50, as follows:

		Item Details(\$)		Appropriations(\$)	
		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
267.	Revenue			\$1,127,733,028	\$0\$405,952,425
	Stabilization				
	Fund (73500)				
	Payments to the	\$1,127,733,028	\$0\$405,952,425		
	Revenue				
	Stabilization				
	Fund (73501)				
	Fund Sources:				
	General	\$1,127,733,028	\$0\$405,952,425		

Authority: Title 2.2, Chapter 18, Article 4, Code of Virginia.

A. On or before November 1 of each year, the Auditor of Public Accounts shall report to the General Assembly the certified tax revenues collected in the most recently ended fiscal year. The auditor shall, at the same time, provide his report on the 15 percent limitation and the amount that could be paid into the fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia as well as the additional deposit requirement of § 2.2-1829, Code of Virginia.

B. Out of this appropriation, \$1,127,733,028 the first year from the general fund attributable to actual tax collections for fiscal year 2021 shall be paid by the State Comptroller on or before June 30, 2023, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia. This amount is based on the certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2021. This appropriation meets the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

C. 1. Notwithstanding the provisions of subsection E of § 2.2-1829 and subsection F of § 2.2-1831.3, Code of Virginia, through June 30, 2024, the combined amount in the Revenue Stabilization Fund and the Revenue Reserve Fund shall not exceed 20 percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales as certified by the Auditor of Public Accounts for the three fiscal years immediately preceding.

2. The Secretary of Finance shall prepare a report to include recommendations for consideration of any adjustments to, or a removal of, the existing cap on the combined balance of the Revenue Stabilization Fund and the Revenue Reserve Fund, pursuant to subsection E of § 2.2-1829 and subsection F of § 2.2-1831.3, Code of Virginia, which shall be delivered to the Governor and the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee by September 1, 2022.

D.1. Out of this appropriation, \$405,952,425 the second year from the general fund attributable to actual tax collections for fiscal year 2022 shall be paid by the State Comptroller on or before June 30, 2024, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia.

2. Notwithstanding the provisions of § 2.2-1831.3 and § 2.2-1831.4, Code of Virginia, the State Comptroller shall transfer \$498,700,000 from the Revenue Reserve Fund to the Revenue Stabilization Fund on or before June 30, 2024. This amount was provided in Chapter 1, 2022 Acts of Assembly, Special Session I, as an advanced reservation for the mandatory deposit to the Revenue Stabilization Fund required in fiscal year 2024.

3. The combined total of the actions authorized in this paragraph, \$904,652,425, is based on the certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2022. These actions meet the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

Item Details(\$)

Appropriations(\$)

HOUSE
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		First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
61					
62					
63	269.			\$31,359,934	\$31,359,934
64	Personnel				
65	Management				
66	Services (70400)				
67	Administration of	\$250,000,000	\$0		
68	Retirement and				
69	Insurance				
70	Programs (70415)				
71	Employee Flexible	\$31,359,934	\$31,359,934		
72	Benefits Services				
73	(70420)				
74	Fund Sources:				
75	General	\$250,000,000	\$0		
76	Trust and Agency	\$31,359,934	\$31,359,934		

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

Pursuant to the amounts contingently appropriated in Item 485, paragraph L of this act, on or before June 30, 2023, the State Comptroller shall deposit \$250,000,000 from the general fund into the Virginia Retirement System trust fund. The Virginia Retirement System shall allocate these funds in the following manner in an effort to address the unfunded liabilities associated with each plan:

1. An amount estimated at \$73,052,105 to the state employee plan.
2. An amount estimated at \$147,457,029 to the public school teacher plan.
3. An amount estimated at \$3,652,605 to the State Police Officers' Retirement System.
4. An amount estimated at \$6,628,802 to the Virginia Law Officers' Retirement System.
5. An amount estimated at \$2,083,338 to the Judicial Retirement System.
6. An amount estimated at \$2,840,915 to the health insurance credit plan for state employees.
7. An amount estimated at \$4,004,338 to the health insurance credit plan for public school teachers.
8. An amount estimated at \$10,146,126 to the group life insurance plan.
9. An amount estimated at \$91,992 to the health insurance credit plan for Constitutional Officers and their employees.
10. An amount estimated at \$40,585 to the health insurance credit plan for local social services employees.
11. An amount estimated at \$2,165 to health insurance credit plan for the Registrars and their employees.

		Item Details(\$)	Appropriations(\$)
		First Year FY2023	Second Year FY2024
96			
97			
98			
99	C-79.50		
100	2022 Capital		
101	Supplement Pool		
102	(18646)		
103	Fund Sources:		
104	General	\$100,000,000	\$0

A. Included in this Item is \$100,000,000 the first year from the general fund that is designated for project supplements to address shortfalls for projects and central capital construction pools.

1. In fulfillment of the requirement in paragraph L, Item 485 of this act, there is included \$100,000,000 from the general fund in the first year.

2. Funding provided in this Item and remaining from Item C-69.60 of Chapter 1, 2022 Acts of Assembly, Special Session I, may be transferred and used for the purposes described in paragraph B. of this Item, pursuant to the approval process and requirements in paragraph C. of this Item.

B.1. Notwithstanding § 2.2-1519 E.1., Code of Virginia., funding may be used to address shortfalls for capital projects that (i) were previously authorized for construction in a central construction pool subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; (ii) have satisfied the requirements of § 2.2-1519 C. and E.2., Code of Virginia; and (iii) have received a funding report from the Department of General Services prior to April 1, 2022.

2. Funding may be used for projects, within the limits of the 105 percent cost threshold set forth in § 2.2-1519 E.1., Code of Virginia, that (i) were authorized for construction in a central construction pool subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; (ii) have satisfied the requirements of § 2.2-1519 C. and E.2., Code of Virginia; and (iii) had not received a funding report as of April 1, 2022.

3. Funding may be used to address shortfalls for projects that have been authorized in an Appropriation Act or other authorizing legislation for construction that were not budgeted in a central construction pool, provided that the agency is unable to use additional value engineering or reduce the size or scope of the project to remain within available appropriation while meeting the original

programmatic intent of the appropriation.

4. Funding may be used to address shortfalls in central capital construction pools that have insufficient funding remaining to meet the outstanding needs of projects authorized within a given pool.

C.1. A transfer authorized by this Item may only be effectuated if (i) the Director of the Department of Planning and Budget provides notice of the amount and purpose of any such proposed transfer to the Six-Year Capital Outlay Plan Advisory Committee; and (ii) no member of the committee or their designee objects, in writing or via email, to the transfer within 14 days of receiving such notice. If an objection is received, the committee may discuss such proposed transfer at its next meeting and vote as to whether to recommend such transfer.

2. Specific project allocations for transfer from this Item shall be based upon recommendations from the Department of General Services.

3. Supplemental amounts determined in accordance with paragraph B.1., B.2., and B.3. of this Item shall be adjusted to match the proportion of a project's total cost supported by general fund as set forth in the funding report, Appropriation Act, or other authorizing legislation.

4. After receiving funds pursuant to paragraphs B.1. or B.3. of this Item, projects shall comply with the provisions of paragraph K. of § 2.0 of this act.

Direct Aid to Public Education

		Item Details(\$)		Appropriations(\$)
		First Year FY2023	Second Year FY2024	First Year FY2023 Second Year FY2024
138.10	State Education Programs (17700)			\$132,813,671 \$130,279,159
	Distribution of State Education Assistance (17701) Fund Sources:			
	General	\$132,703,671	\$125,816,329	
	Special	\$110,000	\$125,000	
	Trust and Agency	\$0	\$4,337,830	
A. The appropriations within this agency shall be adjusted as follows:				
General Fund		First Year FY2023	Second Year FY2024	
Appropriations				
Update Average Daily Membership		\$28,389,627	\$42,826,514	
projections based on Fall Membership				
Update costs of Categorical programs		\$1,233,501	\$1,241,783	
Update costs of Incentive programs		(\$16,271,483)	(\$6,450,403)	
Update Fall Membership data in Direct Aid program formulas		\$97,384	\$214,336	
Update Lottery proceeds for public education		\$9,499,460	(\$4,337,838)	
Update program participation for Remedial Summer School		\$9,139,785	\$9,139,785	
Update sales tax distribution for school age population		\$0	(\$93,912)	
Update sales tax revenue for public education		\$90,474,422	\$77,507,889	
Update Supplemental Education accounts		(\$335,000)	\$0	
Update the cost of Lottery-funded programs		(\$104,903)	\$0	
Update the state cost for English as a Second Language		\$2,147,022	\$4,647,991	

189	Update Academic Year	\$1,104,051	\$1,120,184
190	Governor's School per		
191	pupil amounts		
192	Use Lottery fund	(\$9,499,465)	\$0
193	balances to support		
194	existing appropriation		
195	General Fund Total:	\$115,874,401	\$125,816,329
196			
197	Nongeneral Fund	First Year FY2023	Second Year FY2024
198	Appropriations		
199	Increase nongeneral	\$110,000	\$125,000
200	fund appropriation for		
201	Summer Residential		
202	Governor's World		
203	Language Academies		
204	Update Lottery	(\$9,499,462)	\$4,337,830
205	proceeds for public		
206	education		
207	Use Lottery fund	\$9,499,462	\$0
208	balances to support		
209	existing appropriation		
210	Nongeneral Fund	\$110,000	\$4,462,830
211	Total:		
212	B. Out of this appropriation, \$16,829,270 the first year from the general fund is provided to ensure		
213	that the sum of basic aid and sales tax payments a school division receives in fiscal year 2023 is at		
214	least the sum of basic aid and sales tax payments that was communicated to school divisions in		
215	Superintendents Memo #133-22.		
216	2. That this act is effective on its passage as provided in § 1-214 of the Code of Virginia.		