

IN THE SUPREME COURT OF VIRGINIA

**SNYDER NURSING HOME,
INC.; WATERVIEW SNF
OPERATIONS LLC; THREE
RIVERS SNF OPERATIONS
LLC; NORTHERN NECK
OPERATIONS LLC; FALLS
CHURCH OPCO LLC;
HOSPITAL AUTHORITY OF
NORFOLK; GL VIRGINIA
ALLEGHANY, LLC; GL
VIRGINIA POQUOSON, LLC;
GL VIRGINIA ELIZABETH
HOUSE, LLC; GL VIRGINIA
FREDERICKSBURG, LLC; GL
VIRGINIA BLUE RIDGE, LLC;
GL VIRGINIA
MARTINSVILLE, LLC; GL
VIRGINIA PORTSMOUTH,
LLC; GL VIRGINIA ROSE
HILL, LLC; GL VIRGINIA
SHENANDOAH, LLC;
BROOKNEAL LIFE CARE
CORP.; FRONT ROYAL LIFE
CARE CORP.; BLACKSBURG
LIFE CARE, LLC;
CLINTWOOD LIFE CARE,
LLC; GRUNDY LIFE CARE
CORP.; BIG STONE GAP LIFE
CARE, LLC; DILLWYN LIFE
CARE, LLC; TAZEWELL LIFE
CARE, LLC; KING GEORGE
LIFE CARE, LLC;
BLACKSTONE LIFE CARE,
LLC; WISE LIFE CARE, LLC;
LEXINGTON LIFE CARE**

CORP.; LEESBURG LIFE CARE, LLC; LAUREL MEADOWS LIFE CARE, L.C.; SOUTH ROANOKE LIFE CARE, LLC; RICH CREEK LIFE CARE, LLC; THE LAURELS OF BON AIR, LLC; THE LAURELS OF CHARLOTTESVILLE, LLC; THE LAURELS OF UNIVERSITY PARK, LLC; OAK HEALTH CARE INVESTORS OF RICHMOND, INC.; AUTUMN CARE OF ALTAVISTA, LLC; AUTUMN CORPORATION; STAFFORD II HEALTHCARE GROUP, LLC; CHATHAM HEALTH AND REHABILITATION CENTER, LLC; CLARKSVILLE HEALTH & REHAB CENTER, LLC; COLONIAL HEALTH & REHAB CENTER, LLC; MIZPAH HEALTHCARE GROUP, LLC; STAFFORD HEALTHCARE GROUP, INC.; FARMVILLE HEALTH & REHAB CENTER, LLC; FOREST HEALTH & REHAB CENTER, LLC; HAMPTON HEALTH & REHAB CENTER, LLC; HILLSVILLE HEALTH & REHAB CENTER, LLC; HAMPTON HEALTHCARE GROUP, LLC; LIBERTY RIDGE HEALTHCARE GROUP, LLC; MONROE

**HEALTH & REHAB CENTER,
LLC; NOVA HEALTHCARE
GROUP, LLC; OAK GROVE
HEALTH & REHAB CENTER,
LLC; PORTSIDE HEALTH &
REHAB CENTER, LLC;
RIDGECREST MANOR
NURSING AND
REHABILITATION, LLC;
ROCKY MOUNT HEALTH &
REHAB CENTER, LLC;
ROSEMONT HEALTH &
REHAB CENTER, LLC;
SHORE HEALTHCARE
GROUP, LLC; SOUTH
BOSTON HEALTH & REHAB
CENTER, LLC; DANVILLE
HEALTHCARE GROUP, INC.;
CHESTERFIELD
HEALTHCARE GROUP, INC.;
WATERSIDE HEALTH &
REHAB CENTER, LLC; 301
VILLAGE HOLDINGS LLC;
VIRGINIA HEALTH
SERVICES, INC.;
COURTLAND OPERATING
LLC; EMPORIA OPERATING
LLC; MOUNTAIN VIEW
NURSING HOME, INC.;
ABINDGON HEALTH CARE,
LLC; FREDERICKSBURG
HEALTH CARE, LLC; CHASE
CITY HEALTH CARE, LLC;
DINWIDDIE HEALTH CARE,
LLC; CSP NOVA, LLC;
HERITAGE HUNT, LLC; SP
LEE, LLC; MANASSAS
HEALTH CARE, LLC; CCSP**

NOVA, LLC; NRV HEALTH CARE, LLC; HOPEWELL HEALTH CARE, LLC; CLIFTON FORGE HEALTH CARE, LLC; ALBEMARLE CARE CENTER LLC; APPOMATTOX CARE CENTER LLC; BAYSIDE SNF LLC; BEAUFONT CARE CENTER LLC; BERKSHIRE OPERATIONS LLC; BOWLING GREEN SNF LLC; BURKE SNF LLC; CHARLOTTESVILLE CARE CENTER LLC; CHESAPEAKE SNF LLC; CULPEPER CARE CENTER LLC; FRANKLIN FACILITY LLC; GRETNA OPERATIONS LLC; HANOVER CARE CENTER LLC; HARRISONBURG OPERATIONS LLC; HENRICO CARE CENTER LLC; LAKE MANASSAS SNF LLC; LOUISA CARE CENTER LLC; LYNCHBURG CARE CENTER LLC; MEDICAL FACILITIES OF AMERICA XI LIMITED PARTNERSHIP; NORFOLK SNF LLC; PARHAM CARE CENTER LLC; PINEY FOREST SNF LLC; PULASKI OPERATIONS LLC; RALEIGH COURT OPERATIONS LLC; REGENCY SNF LLC; RIVERSIDE SNF LLC; SALEM OPERATIONS LLC; SPIRNGTREE OPERATIONS

**LLC; STANLEYTOWN
OPERATIONS LLC; VIRGINIA
BEACH SNF LLC; COLONIAL
HEIGHTS OPERATOR LLC;
FAIRFAX OPERATOR LLC;
GLENBURNIE OPERATOR
LLC; HOPEWELL OPERATOR
LLC; VALLEY OPERATOR
LLC; WESTPORT OPERATOR
LLC; ALEXANDRIA
OPERATOR, LLC; BELMONT
BAY OPERATOR, LLC;
BOULEVARD OPERATOR
LLC; CANTERBURY
OPERATOR LLC; CHELSEA
OPERATOR, LLC;
SOUTHAMPTON OPERATOR,
LLC; WESTMORELAND
OPERATOR LLC; WOODBINE
OPERATOR LLC; BAY
POINTE REHABILITATION
AND NURSING LLC; NANS
POINTE REHABILITATION
AND NURSING LLC; THALIA
GARDENS REHABILITATION
AND NURSING LLC;
NORVIEW HEIGHTS
REHABILITATION AND
NURSING LLC; CYPRESS
POINT REHABILITATION
AND NURSING LLC;
NASSAWADOX
REHABILITATION AND
NURSING LLC; BIRCHWOOD
PARK REHABILITATION
AND NURSING LLC;
NORTHERN CARDINAL
REHABILITATION AND**

**NURSING LLC; OLD
DOMINION
REHABILITATION AND
NURSING LLC; BLUE RIDGE
REHABILITATION AND
NURSING LLC; DEER
MEADOWS
REHABILITATION AND
NURSING LLC; GREENE
ACRES REHABILITATION
AND NURSING LLC; OLD
SOUTHWEST HEALTH AND
REHABILITATION LLC;
RIVER EDGE
REHABILITATION AND
NURSING LLC; SEVEN HILLS
REHABILITATION AND
NURSING LLC; WYTHE VA
OPCO LLC; ROANOKE
REHAB & HEALTHCARE
CENTER LLC; SOUTH HILL
VA OPCO LLC; LOUDOUN
CENTER FOR
REHABILITATION AND
NURSING LLC; FAUQUIER
OPCO LLC; BETH ABRAHAM
VILLAGE, LLC; BLUE RIDGE
SNF OPERATIONS LLC;
HIGHLAND SNF
OPERATIONS LLC; SKYVIEW
SPRINGS SNF OPERATIONS
LLC; BROOKSIDE SNF
OPERATIONS LLC;
EVERGREEN SNF
OPERATIONS LLC;
AMHERST SNF OPERATIONS
LLC; DIAMOND HILL SNF
OPERATIONS LLC;**

**BEDFORD SNF OPERATIONS
LLC; WYNDHURST SNF
OPERATIONS LLC;
SHENANDOAH OPERATIONS
HOLDINGS, LLC; HOLLY
MANOR SNF OPERATIONS
LLC; FORK UNION SNF
OPERATIONS LLC;
LAWRENCEVILLE SNF
OPERATIONS LLC;
STAUNTON SNF
OPERATIONS LLC;
WESTOVER HILLS SNF
OPERATIONS LLC;
WILLIAMSBURG SNF
OPERATIONS LLC;
WINCHESTER SNF
OPERATIONS LLC;
ROSEDALE SNF
OPERATIONS LLC; CARLIN
SPRINGS SNF OPERATIONS
LLC; SEVEN HILLS SNF
OPERATIONS LLC;
ALEXANDRIA SNF
OPERATIONS LLC; FAIR
OAKS SNF OPERATIONS
LLC; LAKESIDE VA SNF
OPERATIONS LLC; BETH
SHOLOM SNF OPERATIONS
LLC; and SHENANDOAH
ENTERPRISES, INC.,**

Petitioners,

v.

**CHERYL ROBERTS, in her
official capacity as Director of
the Virginia Department of
Medical Assistance Services;**

and

**VIRGINIA DEPARTMENT OF
MEDICAL ASSISTANCE
SERVICES,**

Respondents.

**VERIFIED PETITION FOR WRIT OF MANDAMUS
AND
MEMORANDUM OF LAW IN SUPPORT**

John S. Buford (VSB No. 89041)
Abby L. Dreiling (VSB No. 100568)
HANCOCK, DANIEL & JOHNSON, P.C.
4701 Cox Rd., Suite 400
Glen Allen, VA 23060
Tel.: 804-967-9604
Fax: 804-967-9888
jbuford@hancockdaniel.com
adreiling@hancockdaniel.com
Counsel for Petitioners

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VERIFIED PETITION

Petitioners, through counsel, submit this Verified Petition for Writ of Mandamus in accordance with Va. S. Ct. Rule 5:7 of the Rules of the Supreme Court of Virginia and allege and say as follows:

I. INTRODUCTION

1. Article V, Section 6 of the 1971 Constitution of Virginia provides that the “Governor shall have the power to veto any particular item or items of an appropriation bill, but the veto shall not affect the item or items to which he does not object. The item or items objected to shall not take effect except in the manner provided in this section for a bill vetoed by the Governor.” As this Court has previously recognized, an “item” is “an indivisible sum of money dedicated to a stated purpose. It is something different from a provision or condition, and where conditions are attached, they must be observed.” *Commonwealth v. Dodson*, 176 Va. 281, 296 (1940). The Governor cannot veto a condition with vetoing its corresponding appropriation, nor vice versa. *Brault v. Holleman*, 217 Va. 441, 447 (1976).

2. In this case, the Department of Medial Assistance Services (“DMAS”) failed to modify nursing facility direct care base rates as

expressly directed in the FY2026 Budget, 2025 Va. Acts ch. 725. Item 288, Paragraph VVVVV of the FY2026 Budget changed the methodology for nursing facility direct care base rate calculations, using the cost of the facility with the 59th percentile Medicaid day in each peer group versus the previous 50th percentile Medicaid day. In other words, before the FY2026 rate increase, reimbursement rates for nursing facilities in each direct care peer group were set presuming full direct care cost coverage for approximately 50 percent of the days that Medicaid covers, with the remaining Medicaid days reimbursed below cost. The modified rates commanded in the FY2026 budget presumed full direct care cost coverage for approximately 59 percent of the days which Medicaid covers, with the remaining Medicaid days reimbursed below cost.

3. Governor Youngkin purported to veto this portion of the FY2026 Budget on May 2, 2025, by striking the conditional language but without striking any appropriation connected to that condition. A true and correct copy of the Governor's May 2, 2025 memorandum containing his handwritten vetoes is attached as **Exhibit 1**.¹

¹ The Governor's memo is also available on the General Assembly's Legislative Information Service ("LIS") website at <https://budget.lis.virginia.gov/amendment/2025/1/HB1600/Enrolled/GV/>.

4. The Keeper of the Rolls of the Commonwealth advised the Governor on May 14, 2025 that the Keeper would not publish three purported vetoes (including that of Paragraph VVVVV) as improper under Article V, Section 6 of the Constitution of Virginia and this Court's precedents, because the Governor could not veto a condition without also vetoing the appropriation tied to that condition. A true and correct copy of the Keeper of the Rolls' May 14, 2025 letter is attached as **Exhibit 2**.²

5. Upon information and belief, the Governor has ignored the decision of the Keeper of the Rolls, instructing DMAS to act as if the veto were effective and to implement rates for FY2026 effective July 1, 2025, using the unchanged, previous methodology. DMAS has taken no action whatsoever to modify its rates using the 59th percentile methodology.

6. Petitioners operate nursing facilities across the Commonwealth, from Lee County to Accomack County, from Berryville to Clarksville, hailing from 64 counties and 28 independent cities. Like every nursing facility in the Commonwealth, each Petitioner will suffer

The LIS website further links to the handwritten vetoes at <https://lis.blob.core.windows.net/files/1080011.PDF>.

² The Keeper of the Rolls' explanation is available on the LIS website at <https://budget.lis.virginia.gov/amendment/2025/1/HB1600/Chapter/KR/>.

pecuniary harm from DMAS failing to modify its Medicaid base rates as commanded in the FY2026 Budget. Petitioners therefore seek a writ of mandamus requiring DMAS's Director to modify the nursing facility direct care base rate calculations for reimbursement using the specified 59th percentile methodology, the law of the Commonwealth following the Keeper's refusal to publish the Governor's unconstitutional veto.

II. PARTIES

7. As detailed below, each Petitioner operates one or more nursing facilities in the Commonwealth. Each Petitioner is a member of the Virginia Health Care Association – Virginia Center for Assisted Living (“VHCA-VCAL”), Virginia’s largest association advocating for long term care providers.

8. Snyder Nursing Home, Inc. operates a not-for-profit, 45-bed nursing facility in the City of Salem.

9. Waterview SNF Operations LLC operates a 90-bed nursing and 40-bed skilled nursing facility in the City of Hampton (WaterView Health & Rehab Center).

10. Three Rivers SNF Operations LLC operates a 40-bed nursing and 20-bed skilled nursing facility in King William County (Three Rivers Heath and Rehab Center).

11. Northern Neck Operations LLC operates a 40-bed assisted living and 80-bed skilled nursing facility in Richmond County (Northern Neck Senior Care Community).

12. Falls Church Opco LLC operates a 160-bed nursing facility in Fairfax County (Vierra Falls Church).

13. Hospital Authority of Norfolk operates a 60-bed nursing and 132-bed skilled nursing facility in the City of Norfolk (Lake Taylor Transitional Care Hospital).

14. GL Virginia Alleghany, LLC operates a 105-bed skilled nursing facility in Alleghany County (Alleghany Health and Rehab).

15. GL Virginia Poquoson, LLC operates a 60-bed skilled nursing facility in the City of Poquoson (Bayside of Poquoson Health and Rehab).

16. GL Virginia Elizabeth House, LLC operates a 180-bed skilled nursing facility in Henrico County (Elizabeth Adam Crump Health and Rehab).

17. GL Virginia Fredericksburg, LLC operates a 177-bed skilled nursing facility in Spotsylvania County (Fredericksburg Health and Rehab).

18. GL Virginia Blue Ridge, LLC operates a 120-bed skilled nursing facility in the City of Galax (Galax Health and Rehab).

19. GL Virginia Martinsville, LLC operates a 142-bed skilled nursing facility in Henry County (Martinsville Health and Rehab).

20. GL Virginia Portsmouth, LLC operates a 120-bed skilled nursing facility in the City of Portsmouth (Portsmouth Health and Rehab).

21. GL Virginia Rose Hill, LLC operates a 120-bed skilled nursing facility in Clarke County (Rose Hill Health and Rehab).

22. GL Virginia Shenandoah, LLC operates a 93-bed skilled nursing facility in the City of Buena Vista (Shenandoah Valley Health and Rehab).

23. Brookneal Life Care Corp. operates a 48-bed nursing and 12-bed skilled nursing facility in Campbell County (Heritage Hall Brookneal).

24. Front Royal Life Care Corp. operates a 60-bed skilled nursing facility in Warren County (Heritage Hall Front Royal).

25. Blacksburg Life Care, LLC operates a 166-bed nursing and 28-bed skilled nursing facility in Montgomery County (Heritage Hall Blacksburg).

26. Clintwood Life Care, LLC operates a 92-bed nursing and 8-bed skilled nursing facility in Dickenson County (Heritage Hall Clintwood).

27. Grundy Life Care Corp. operates a 96-bed nursing and 24-bed skilled nursing facility in Buchanan County (Heritage Hall Grundy).

28. Big Stone Gap Life Care, LLC operates a 152-bed nursing and 28-bed skilled nursing facility in Wise County (Heritage Hall Big Stone Gap).

29. Dillwyn Life Care, LLC operates a 51-bed nursing and 9-bed skilled nursing facility in Buckingham County (Heritage Hall Dillwyn).

30. Tazewell Life Care, LLC operates a 162-bed nursing and 18-bed skilled nursing facility in Tazewell County (Heritage Hall Tazewell).

31. King George Life Care, LLC operates a 106-bed nursing and 24-bed skilled nursing facility in King George County (Heritage Hall King George).

32. Blackstone Life Care, LLC operates a 148-bed nursing and 32-bed skilled nursing facility in Nottoway County (Heritage Hall Blackstone).

33. Wise Life Care, LLC operates a 73-bed nursing and 24-bed skilled nursing facility in Wise County (Heritage Hall Wise).

34. Lexington Life Care Corp. operates a 52-bed nursing and 8-bed skilled nursing facility in the City of Lexington (Heritage Hall Lexington).

35. Leesburg Life Care, LLC operates a 131-bed nursing and 33-bed skilled nursing facility in Loudoun County (Heritage Hall Leesburg).

36. Laurel Meadows Life Care, L.C. operates a 60-bed skilled nursing facility in Carroll County (Heritage Hall Laurel Meadows).

37. South Roanoke Life Care, LLC operates a 98-bed nursing facility in the City of Roanoke (South Roanoke Nursing & Rehabilitation).

38. Rich Creek Life Care, LLC operates a 120-bed nursing facility in Giles County (Heritage Hall Rich Creek).

39. The Laurels of Bon Air, LLC operates a 100-bed skilled nursing facility in Chesterfield County.

40. The Laurels of Charlottesville, LLC operates a 120-bed nursing facility in Albemarle County.

41. The Laurels of University Park, LLC operates a 145-bed nursing facility in Henrico County.

42. Oak Health Care Investors of Richmond, Inc. operates a 60-bed nursing and 60-bed skilled nursing facility in Chesterfield County (The Laurels of Willow Creek).

43. Autumn Care of Altavista, LLC operates a 119-bed skilled nursing facility in Campbell County.

44. Autumn Corporation operates several skilled nursing facilities in the Commonwealth: a 117-bed skilled nursing facility in the City of Chesapeake (Autumn Care of Chesapeake); a 92-bed skilled nursing facility in Madison County (Autumn Care of Madison); a 169-bed nursing facility in Hanover County (Autumn Care of Mechanicsville); a 120-bed skilled nursing facility in the City of Norfolk (Autumn Care of

Norfolk); a 105-bed skilled nursing facility in the City of Portsmouth (Autumn Care of Portsmouth); a 110-bed skilled nursing facility in the City of Suffolk (Autumn Care of Suffolk); a 24-bed assisted living and 60-bed skilled nursing facility in Augusta County (Shenandoah Nursing Home); and a 73-bed nursing and 56-bed skilled nursing facility in the City of Galax (Waddell Nursing and Rehab Center).

45. Stafford II Healthcare Group, LLC operates a 90-bed nursing facility in Spotsylvania County (Berea Health & Rehab Center).

46. Chatham Health and Rehabilitation Center, LLC operates a 85-bed nursing facility in Pittsylvania County.

47. Clarksville Health & Rehab Center, LLC operates a 168-bed skilled nursing facility in Mecklenburg County.

48. Colonial Health & Rehab Center, LLC operates a 90-bed nursing facility in the City of Virginia Beach.

49. Mizpah Healthcare Group, LLC operates a 94-bed nursing facility in Middlesex County (Dockside Health & Rehab Center).

50. Stafford Healthcare Group, Inc. operates a 90-bed skilled nursing facility in Spotsylvania County (Falls Run Nursing and Rehabilitation).

51. Farmville Health & Rehab Center, LLC operates a 110-bed skilled nursing facility in Prince Edward County.

52. Forest Health & Rehab Center, LLC operates a 81-bed nursing and 16-bed skilled nursing facility in Bedford County.

53. Hampton Health & Rehab Center, LLC operates a 48-bed nursing and 12-bed skilled nursing facility in the City of Hampton.

54. Hillsville Health & Rehab Center, LLC operates a 60-bed skilled nursing facility in Carroll County.

55. Hampton Healthcare Group, LLC operates a 90-bed skilled nursing facility in the City of Virginia Beach (Kempsville Health & Rehab Center).

56. Liberty Ridge Healthcare Group, LLC operates a 90-bed skilled nursing facility in Campbell County (Liberty Ridge Health & Rehabilitation Center).

57. Monroe Health & Rehab Center, LLC operates a 147-bed skilled nursing facility in Albemarle County.

58. Nova Healthcare Group, LLC operates a 90-bed skilled nursing facility in Scott County (Nova Health & Rehab Center).

59. Oak Grove Health & Rehab Center, LLC operates a 107-bed nursing and 12-bed skilled nursing facility in the City of Chesapeake.

60. Portside Health & Rehab Center, LLC operates a 132-bed skilled nursing facility in the City of Portsmouth.

61. Ridgecrest Manor Nursing and Rehabilitation, LLC operates a 120-bed skilled nursing facility in Scott County.

62. Rocky Mount Health & Rehab Center, LLC operates a 147-bed skilled nursing facility in Franklin County.

63. Rosemont Health & Rehab Center, LLC operates a 60-bed nursing and 56-bed skilled nursing facility in the City of Virginia Beach.

64. Shore Healthcare Group, LLC operates a 115-bed nursing and 18-bed skilled nursing facility in Accomack County (Shore Health & Rehab Center).

65. South Boston Health & Rehab Center, LLC operates a 216-bed skilled nursing facility in Halifax County.

66. Danville Healthcare Group, Inc. operates a 20-bed nursing and 40-bed skilled nursing facility in the City of Danville (Stratford Rehabilitation Center).

67. Chesterfield Healthcare Group, Inc. operates a 90-bed skilled nursing facility in Chesterfield County (Tyler's Retreat at Iron Bridge).

68. Waterside Health & Rehab Center, LLC operates a 142-bed nursing and 51-bed skilled nursing facility in the City of Norfolk.

69. 301 Village Holdings LLC operates a 30-bed assisted living and 90-bed skilled nursing facility in the City of Bristol (The Rehab Center and Memory Care at Bristol).

70. Virginia Health Services, Inc. operates seven affected facilities: a 60-bed nursing facility in the City of Newport News (The Newport Nursing and Rehabilitation); a 154-bed nursing facility in the City of Newport News (James River Nursing and Rehabilitation Center); a 180-bed nursing facility in the City of Hampton (Coliseum Nursing and Rehabilitation); a 70-bed nursing facility in the City of Hampton (Northampton Nursing and Rehabilitation); a 120-bed nursing facility in Lancaster County (Lancashire Nursing and Rehabilitation Center); a 180-bed nursing facility in Gloucester County (Walter Reed Nursing and Rehabilitation); and an 80-bed nursing facility in York County (York Nursing and Rehabilitation).

71. Courtland Operating LLC operates a 90-bed nursing facility in Southampton County (Courtland Rehabilitation and Healthcare Center).

72. Emporia Operating LLC operates a 120-bed nursing facility in the City of Emporia (Emporia Rehabilitation and Healthcare Center).

73. Mountain View Nursing Home, Inc. operates a 40-bed nursing facility in Madison County.

74. Abingdon Health Care, LLC operates a 120-bed nursing facility in Washington County (Abingdon Health & Rehab Center).

75. Fredericksburg Health Care, LLC operates a 150-bed nursing facility in Spotsylvania County (Carriage Hill Health & Rehab).

76. Chase City Health Care, LLC operates a 120-bed nursing facility in Mecklenburg County (Chase City Health & Rehab Center).

77. Dinwiddie Health Care, LLC operates a 60-bed nursing facility in Dinwiddie County (Dinwiddie Health & Rehab Center).

78. CSP Nova, LLC operates a 166-bed nursing facility in Fairfax County (Dulles Health & Rehab Center).

79. Heritage Hunt, LLC operates a 120-bed nursing facility in Prince William County (Gainesville Health & Rehab Center).

80. SP Lee, LLC operates a 110-bed nursing facility in Lee County (Lee Health & Rehab Center).

81. Manassas Health Care, LLC operates a 120-bed nursing facility in Prince William County (Manassas Health & Rehab Center).

82. CCSP Nova, LLC operates a 150-bed nursing facility in Loudoun County (Potomac Falls Health & Rehab Center).

83. NRV Health Care, LLC operates a 90-bed nursing facility in the City of Radford (Radford Health & Rehab Center).

84. Hopewell Health Care, LLC operates a 124-bed nursing facility in the City of Hopewell (River View on the Appomattox Health & Rehab Center).

85. Clifton Forge Health Care, LLC operates a 60-bed nursing facility in Alleghany County (The Woodlands Health & Rehab Center).

86. Albemarle Care Center LLC operates a 120-bed skilled nursing facility in Albemarle County (Albemarle Health and Rehabilitation Center).

87. Appomattox Care Center LLC operates a 60-bed skilled nursing facility in Appomattox County (Appomattox Health and Rehabilitation Center).

88. Bayside SNF LLC operates a 60-bed skilled nursing facility in the City of Virginia Beach (Bayside Health and Rehabilitation Center).

89. Beaufort Care Center LLC operates a 120-bed skilled nursing facility in the City of Richmond (Beaufort Health and Rehabilitation Center).

90. Berkshire Operations LLC operates a 180-bed skilled nursing facility in Roanoke County (Berkshire Health and Rehabilitation Center).

91. Bowling Green SNF LLC operates a 120-bed skilled nursing facility in Caroline County (Bowling Green Health and Rehabilitation Center).

92. Burke SNF LLC operates a 120-bed skilled nursing facility in Fairfax County (Burke Health and Rehabilitation Center).

93. Charlottesville Care Center LLC operates a 105-bed skilled nursing facility in Albemarle County (Charlottesville Health and Rehabilitation Center).

94. Chesapeake SNF LLC operates a 180-bed skilled nursing facility in the City of Chesapeake (Chesapeake Health and Rehabilitation Center).

95. Culpeper Care Center LLC operates a 180-bed skilled nursing facility in the Culpeper County (Culpeper Health and Rehabilitation Center).

96. Franklin Facility LLC operates a 120-bed skilled nursing facility in Franklin County (Franklin Health and Rehabilitation Center).

97. Gretna Operations LLC operates a 90-bed skilled nursing facility in Pittsylvania County (Gretna Health and Rehabilitation Center).

98. Hanover Care Center LLC operates a 120-bed skilled nursing facility in Hanover County (Hanover Health and Rehabilitation Center).

99. Harrisonburg Operations LLC a 180-bed skilled nursing facility in Harrisonburg City (Harrisonburg Health and Rehabilitation Center).

100. Henrico Care Center LLC operates a 120-bed skilled nursing in Henrico County (Henrico Health and Rehabilitation Center).

101. Lake Manassas SNF LLC operates a 120-bed nursing facility in Prince William County (Lake Manassas Health and Rehabilitation Center).

102. Louisa Care Center LLC operates a 90-bed skilled nursing facility in Louisa County (Louisa Health and Rehabilitation Center).

103. Lynchburg Care Center LLC operates a 180-bed skilled nursing facility in the City of Lynchburg (Lynchburg Health and Rehabilitation Center).

104. Medical Facilities of America XI Limited Partnership operates a 180-bed skilled nursing facility in Arlington County (Cherrydale Health and Rehabilitation Center).

105. Norfolk SNF LLC operates a 180-bed skilled nursing facility in the City of Norfolk (Norfolk Health and Rehabilitation Center).

106. Parham Care Center LLC operates a 180-bed skilled nursing facility Henrico County (Parham Healthcare and Rehabilitation Center).

107. Piney Forest SNF LLC operates a 120-bed skilled nursing facility in the City of Danville (Piney Forest Health and Rehabilitation Center).

108. Pulaski Operations LLC operates a 102-bed skilled nursing facility in Pulaski County (Pulaski Health and Rehabilitation Center).

109. Raleigh Court Operations LLC operates a 120-bed skilled nursing facility in the city of Roanoke (Raleigh Court Health and Rehabilitation Center).

110. Regency SNF LLC operates a 120-bed skilled nursing facility in York County (Regency Health and Rehabilitation Center).

111. Riverside SNF LLC operates a 180-bed skilled nursing facility in the City of Danville (Riverside Health and Rehabilitation Center).

112. Salem Operations LLC operates a 240-bed skilled nursing facility in the City of Salem (Salem Health and Rehabilitation Center).

113. Springtree Operations LLC operates a 120-bed skilled nursing facility in the City of Roanoke (Springtree Health and Rehabilitation Center).

114. Stanleytown Operations LLC operates a 120-bed skilled nursing facility in Henry County (Stanleytown Health and Rehabilitation Center).

115. Virginia Beach SNF LLC operates a 180-bed skilled nursing facility in the City of Virginia Beach (Virginia Beach Healthcare and Rehabilitation Center).

116. Colonial Heights Operator LLC operates a 132-bed nursing and 64-bed skilled nursing facility in the City of Colonial Heights (Colonial Heights Rehabilitation and Nursing Center).

117. Fairfax Operator LLC operates a 2-bed nursing and 198-bed skilled nursing facility in the City of Fairfax (Fairfax Rehabilitation and Nursing Center).

118. Glenburnie Operator LLC operates a 125-bed skilled nursing facility in Henrico County (Glenburnie Rehabilitation and Nursing Center).

119. Hopewell Operator LLC operates a 65-bed nursing and 65-bed skilled nursing facility in the City of Hopewell (Wonder City Rehabilitation and Nursing Center).

120. Valley Operator LLC operates a 120-bed nursing and 60-bed skilled nursing facility in Smyth County (Valley Rehabilitation and Nursing Center).

121. Westport Operator LLC operates a 181-bed nursing and 44-bed skilled nursing facility in Henrico County (Westport Rehabilitation and Nursing Center).

122. Alexandria Operator, LLC operates a 71-bed nursing and 40-bed skilled nursing facility in the City of Alexandria (Alexandria Rehabilitation and Healthcare Center).

123. Belmont Bay Operator, LLC center operates a 120-bed skilled nursing facility in Prince William County (Belmont Bay Rehabilitation and Healthcare).

124. Boulevard Operator LLC operates an 81-bed skilled nursing facility in Fairfax County (The Boulevard Post Acute).

125. Canterbury Operator LLC operates a 162-bed nursing and 28-bed skilled nursing facility in Henrico County (Canterbury Rehabilitation and Healthcare Center).

126. Chelsea Operator, LLC operates a 44-bed nursing and 40-bed skilled nursing facility in Goochland County (Chelsea Rehabilitation and Healthcare Center).

127. Southampton Operator, LLC operates a 124-bed nursing and 72-bed skilled nursing facility in the City of Richmond (Southampton Rehabilitation and Healthcare Center).

128. Westmoreland Operator LLC operates a 50-bed nursing and 16-bed skilled nursing facility in Westmoreland County (Westmoreland Rehabilitation and Healthcare Center).

129. Woodbine Operator LLC operates a 207-bed nursing and 100-bed skilled nursing facility in the City of Alexandria (Woodbine Rehabilitation and Healthcare Center).

130. Bay Pointe Rehabilitation and Nursing LLC operates a 112-bed skilled nursing facility in the City of Virginia Beach.

131. Nans Pointe Rehabilitation and Nursing LLC operates a 34-bed assisted living and 148-bed skilled nursing facility in the City of Suffolk.

132. Thalia Gardens Rehabilitation and Nursing LLC operates a 138-bed skilled nursing facility in the City of Virginia Beach.

133. Norview Heights Rehabilitation and Nursing LLC operates a 60-bed skilled nursing facility in the City of Norfolk.

134. Cypress Point Rehabilitation and Nursing LLC operates a 66-bed nursing and 24-bed skilled nursing facility in the City of Virginia Beach.

135. Nassawadox Rehabilitation and Nursing LLC operates a 128-bed nursing and 17-bed skilled nursing facility in Northampton County.

136. Birchwood Park Rehabilitation and Nursing LLC operates a 45-bed nursing and 105-bed skilled nursing facility in the City of Virginia Beach.

137. Northern Cardinal Rehabilitation and Nursing LLC operates a 98-bed nursing and 22-bed skilled nursing facility in the City of Suffolk.

138. Old Dominion Rehabilitation and Nursing LLC operates a 101-bed nursing and 14-bed skilled nursing facility in the City of Newport News.

139. Blue Ridge Rehabilitation and Nursing LLC operates a 117-bed skilled nursing facility in the City of Harrisonburg.

140. Deer Meadows Rehabilitation and Nursing LLC operates a 119-bed skilled nursing facility in Washington County.

141. Greene Acres Rehabilitation and Nursing LLC operates a 78-bed nursing and 12-bed skilled nursing facility in Greene County.

142. Old Southwest Health and Rehabilitation LLC operates a 130-bed skilled nursing facility in the City of Roanoke.

143. River Edge Rehabilitation and Nursing LLC operates a 109-bed skilled nursing facility in the City of Waynesboro.

144. Seven Hills Rehabilitation and Nursing LLC operates a 120-bed skilled nursing facility in the City of Lynchburg.

145. Wythe VA OPCO LLC operates a 120-bed nursing facility in Wythe County (Mountain Laurel Rehabilitation and Nursing).

146. Roanoke Rehab & Healthcare Center LLC operates a 116-bed skilled nursing facility in the City of Roanoke (Star City Rehabilitation and Nursing).

147. South Hill VA OPCO LLC operates a 140-bed nursing facility in Mecklenburg County (Twin Lakes Rehabilitation and Nursing).

148. Loudoun Center for Rehabilitation and Nursing LLC operates a 68-bed nursing and 32-bed skilled nursing facility in Loudoun County (Loudoun Rehabilitation and Nursing Center).

149. Fauquier Opco LLC operates a 113-bed skilled nursing facility in Fauquier County (Poplar Hill Health and Rehab Center).

150. Beth Abraham Village, LLC operates a 120-bed skilled nursing facility in the City of Virginia Beach (MHC of Virginia Beach).

151. Blue Ridge SNF Operations LLC operates a 156-bed nursing and 26-bed skilled nursing facility in Patrick County (Blue Ridge Therapy Connection).

152. Highland SNF Operations LLC operates a 95-bed nursing and 37-bed skilled nursing facility in Pulaski County (Highland Ridge Rehab Center).

153. Skyview Springs SNF Operations LLC operates a 96-bed nursing and 24-bed skilled nursing facility in Page County (Skyview Springs Rehab and Nursing Center).

154. Brookside SNF Operations LLC operates a 60-bed nursing and 70-bed skilled nursing facility in Fauquier County (Brookside Rehab & Nursing Center).

155. Evergreen SNF Operations LLC operates a 176-bed skilled nursing facility in the City of Winchester (Evergreen Health & Rehabilitation Center).

156. Amherst SNF Operations LLC operates a 120-bed skilled nursing facility in Amherst County (Fairmont Crossing Health and Rehab Center).

157. Diamond Hill SNF Operations LLC operates a 130-bed skilled nursing facility in the City of Lynchburg (Guggenheimer Health and Rehab Center).

158. Bedford SNF Operations LLC operates a 111-bed skilled nursing facility in Bedford County (Oakwood Health and Rehab Center).

159. Wyndhurst SNF Operations LLC operates a 120-bed skilled nursing facility in the City of Lynchburg (Summit Health and Rehab Center).

160. Shenandoah Operations Holding, LLC operates a 120-bed nursing facility in Warren County (Lynn Care Center).

161. Holly Manor SNF Operations LLC operates a 144-bed assisted living and 115-bed skilled nursing facility in Prince Edward County (Holly Manor Rehab and Nursing).

162. Fork Union SNF Operations LLC operates a 60-bed skilled nursing facility in Fluvanna County (Oakhurst Health & Rehabilitation).

163. Lawrenceville SNF Operations LLC operates a 52-bed nursing and 25-bed skilled nursing facility in Brunswick County (Lawrenceville Health & Rehabilitation).

164. Staunton SNF Operations LLC operates a 170-bed skilled nursing facility in the City of Staunton (Staunton Post Acute & Rehabilitation).

165. Westover Hills SNF Operations LLC operates a 174-bed skilled nursing facility in the City of Richmond (Forest Hill Health & Rehabilitation).

166. Williamsburg SNF Operations LLC operates a 130-bed nursing facility in the City of Williamsburg (Williamsburg Post Acute & Rehabilitation).

167. Winchester SNF Operations LLC operates a 60-bed nursing facility in Frederick County (Winchester Health & Rehabilitation).

168. Rosedale SNF Operations LLC operates a 104-bed nursing and 24-bed skilled nursing facility in the City of Richmond (Rosedale Health & Rehabilitation).

169. Carlin Springs SNF Operations LLC operates a 64-bed nursing and 97-bed skilled nursing facility in Arlington County (Carlin Springs Health & Rehabilitation).

170. Seven Hills SNF Operations LLC operates a 59-bed nursing and 59-bed skilled nursing facility in the City of Lynchburg (Tate Springs Health & Rehab).

171. Alexandria SNF Operations LLC operates a 31-bed nursing and 65-bed skilled nursing facility in Fairfax County (George Washington Health & Rehabilitation).

172. Fair Oaks SNF Operations LLC operates a 84-bed nursing and 61-bed skilled nursing facility in Fairfax County (Fair Oaks Health & Rehabilitation).

173. Lakeside VA SNF Operations LLC operates a 104-bed nursing and 90-bed skilled nursing facility in Henrico County (Lakeside Health & Rehabilitation).

174. Beth Sholom SNF Operations LLC operates an 87-bed nursing and 29-bed skilled nursing facility in Henrico County (Shalom Gardens Health & Rehabilitation).

175. Shenandoah Enterprises, Inc. operates a 70-bed nursing facility in Shenandoah County (Skyline Terrace Nursing Home).

176. Respondent Virginia Department of Medical Assistance Services (“DMAS”) is an agency of the Commonwealth established by

statute under the direction of the Secretary of Human Resources and a Director of Medical Assistance Services. Va. Code § 32.1-323.

177. DMAS administers the federal Medicaid program under Title XIX of the Social Security Act. Va. Code § 32.1-325.

178. Respondent Cheryl Roberts is named in her official capacity as Director of DMAS. The Director is appointed by the Governor, subject to confirmation by the General Assembly, and serves at the pleasure of the Governor. Va. Code § 2.2-106. The Director serves as the DMAS Board's executive officer, but is not a member of the Board. *Id.* § 32.1-324(B). "The Director shall be vested with all the authority of the Board when it is not in session, subject to such rules and regulations as may be prescribed by the Board." *Id.* § 32.1-324(C).

III. JURISDICTION

179. This Court has original jurisdiction to issue writs of mandamus under Article VI, Section 1 of the Constitution of Virginia. *See also* Va. Code §§ 8.01-645, 17.1-309; Rule 5:7(b) .

IV. FACTUAL BACKGROUND

A. The General Assembly enrolled its FY2026 Budget Bill, including Item 288, Paragraph VVVVV, which the Governor ineffectively and unconstitutionally purported to veto

180. The General Assembly's budget for the 2024-26 biennium was enacted on March 9, 2024. *See* 2024 H.B. 30; 2024 Va. Acts (Special Session I) ch. 2.

181. Budget Item 288 comprised appropriations for Medicaid Program Services within the Office of Health and Human Resources.

182. On December 18, 2024, the House of Delegates introduced HB1600, amendments to the biennium budget. Following various amendments, the House passed HB1600 on February 6, 2025.

183. In the Senate, the Finance and Appropriations Committee introduced and approved an amendment to Item 288 stating:

OOOOO. Out of this appropriation, \$10,000,000 the second year from the general fund and \$11,650,000 the second year from nongeneral funds shall be provided to increase payments for nursing facilities, effective July 1, 2025, with the exception of nursing facilities that are cost-based. These payments shall be apportioned to each eligible nursing facility based on its Medicaid utilization as determined in the most recent nursing facility rebasing, with adjustments for additional payments included in the indirect nursing facility rate, not to exceed federal reimbursement limits. The department shall have authority to implement these changes upon federal

approval and prior to the completion of any regulatory process.

2025 S.B. 800, Item 288 #15s, *available at*

<https://budget.lis.virginia.gov/amendment/2025/1/SB800/Introduced/CA/288/15s/>.

184. The Senate passed its budget amendments on February 12, 2025, including the appropriation for increased nursing home facility rates. Each house appointed conferees, and the Speaker of the House and the President of the Senate signed the reconciled budget on March 13, 2025. The reconciled budget was enrolled and presented to the Governor that same day.

185. Included in Item 288 of the enrolled budget communicated to the Governor was Paragraph VVVVV:

Effective July 1, 2025, the department shall modify nursing facility direct care base rates by redetermining each of the regional peer group prices under the existing methodology, except by using the cost of the relevant facility with the 59th percentile day in place of the cost of the currently mandated facility with the 50th percentile day, or “day-weighted median,” cost. This shall be applied using the rebasing model implemented for fiscal year 2025 rates, with resulting direct care rates adjusted for this change and inflated to fiscal year 2026 per existing policy. This methodology change shall be maintained until the next rebasing. The department shall have the authority to

implement these changes upon federal approval and prior to the completion of any regulatory process.

2025 H.B. 1600, Item 288, ¶ VVVVV (enrolled version), *available at* <https://budget.lis.virginia.gov/item/2025/1/HB1600/Enrolled/1/288/>.

186. The Governor communicated his recommendations on March 24, 2025, including proposed Amendment 103, which would remove the \$21,650,000 appropriated for nursing home facility rate increases, correspondingly reducing the Medicaid budget in Item 288 from \$26,316,442,804 to \$26,294,792,804.

<https://budget.lis.virginia.gov/amendment/2025/1/HB1600/Enrolled/GR/>.

187. The House and Senate adopted some of the Governor’s recommendations and transmitted the reenrolled bill to the Governor on April 2, 2025. However, the House “passed by” 85 of the Governor’s recommended amendments, including Amendment 103.

<https://lis.virginia.gov/bill-details/20251/HB1600>.

188. Therefore, Amendment 103 was not part of the reenrolled bill presented to the Governor on April 2, and the \$21,650,000 appropriation for increased Medicaid rates for nursing facilities, which the Governor proposed eliminating, remained part of the FY2026 budget bill. VA. CONST. Art. V, § 6(b)(iii).

189. On May 2, 2025, the Governor transmitted a series of vetoes, including a purported veto of Item 288, Paragraph VVVVV, explaining:

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

Ex. 1.

190. In his attempted veto, the Governor only struck language within Paragraph VVVVV itself. He did not veto the actual appropriation of \$21,650,000 conditioned by the language of Paragraph VVVVV.

191. The Clerk of the House of Delegates also serves as the Keeper of the Rolls of the Commonwealth. Va. Code § 30-14.

192. The Keeper of the Rolls responded to the Governor’s memorandum, stating that, out of the 37 objections, the Governor’s purported vetoes of three items, including Item 288, Paragraph VVVVV, were “not properly made upon items as required by Article V, Section 6

of the Constitution of Virginia,” and it was therefore his “duty not to publish these purported vetoes.” Ex. 2.

193. Thus, the budget bill—without the Governor’s veto of Paragraph VVVVV—was published as the law of the Commonwealth in Chapter 725 of the 2025 Acts of Assembly.

B. The Constitution of Virginia circumscribes the Governor’s authority to veto items

194. Article V, Section 6 of the 1971 Constitution of Virginia permits the Governor to veto an “item” in an appropriations bill.

195. Item 288, Paragraph VVVVV constitutes a condition which nondiscretionarily commands DMAS to modify its nursing facility rates using a specified methodology. It does not constitute an “item” within the meaning of Article V, Section 6. The Governor only struck Paragraph VVVVV and did not veto any appropriation conditioned by Paragraph VVVVV. As such, the veto was invalid because “the Governor cannot veto the condition without also disapproving the appropriation.” *Brault*, 217 Va. at 447.

C. DMAS ignored the law and failed to modify its rates using the methodology the General Assembly commanded

196. Before and since July 1, DMAS has acted as though the Governor's item veto were valid. DMAS has taken no steps to modify its base rate calculations using the 59th percentile methodology, in direct violation of the General Assembly's mandate and the binding provisions of Chapter 725 of the Acts of Assembly.

197. As a result, Petitioners will receive reimbursements from DMAS that are less than the reimbursements they would receive if DMAS had honored the General Assembly's unequivocal command to modify reimbursement rates using a 59th percentile methodology.

198. DMAS's failure to comply with the legislative command to enact modified reimbursement rates under the specified methodology will continue to directly impair Petitioners' ability to maintain staffing levels, invest in necessary facility upgrades, and provide quality care to their residents.

199. DMAS's actions violate a ministerial, nondiscretionary duty imposed by a valid Act of Assembly, a violation for which no other adequate legal remedy exists. The Court should issue its writ of

mandamus to compel DMAS to implement the nursing facility direct care base rate calculations for nursing home reimbursement at the 59th percentile methodology.

MEMORANDUM OF LAW

I. INTRODUCTION

This case presents the question of whether a department of the executive branch can ignore the express command of the General Assembly in a duly engrossed appropriations bill after the Keeper of the Rolls of the Commonwealth properly refused to recognize the Governor's unconstitutional attempt to veto a condition in that appropriations bill. Instead of challenging the Keeper's refusal to recognize the veto on the rolls of the Commonwealth, the executive branch charged ahead, ignoring the plain language of the official Act of Assembly and, through DMAS, refusing the General Assembly's unequivocal and nondiscretionary command to enact new nursing home facility rates based on a specified methodology.

Petitioners operate more than 180 nursing facilities across the Commonwealth. Each is affected by DMAS's refusal to perform the General Assembly's command. Petitioners seek a writ of mandamus to compel DMAS to adhere to the rule of law by following the General Assembly's express instruction contained in the official rolls of the

Commonwealth, not the Governor's unconstitutional and unrecognized attempt to veto that instruction.

II. STATEMENT OF FACTS

Petitioners rely upon the facts alleged in their Verified Petition and the referenced records of the General Assembly, of which this Court may take judicial notice.

III. ARGUMENT

In order for a writ of mandamus to issue, “there must be a clear right in the petitioner to the relief sought, there must be a legal duty on the part of the respondent to perform the act which the petitioner seeks to compel, and there must be no adequate remedy at law.” *Bd. of Cty. Supervisors v. Hylton Enters., Inc.*, 216 Va. 582, 584 (1976). As discussed below, Petitioners satisfy each element, and the Court should issue its writ of mandamus to DMAS and its Director.

A. Petitioners have a clear right to the relief sought because the General Assembly commanded a ministerial act to modify rates using a given methodology

“Every bill which passes the Senate and House of Delegates, before it becomes law, shall be presented to the Governor.” VA. CONST. Art. V,

§ 6(a). Section 6(d) of Article V empowers the Governor to veto “items” in appropriations bills without vetoing the entire bill.

Chapter 725 of the 2025 Acts of Assembly, Item 288, Paragraph VVVVVV unequivocally commands DMAS:

VVVVV. Effective July 1, 2025, the department shall modify nursing facility direct care rates by redetermining each of the regional peer group prices under the existing methodology, except by using the cost of the relevant facility with the 59th percentile day in place of the cost of the currently mandated facility with the 50th percentile day, or “day-weighted median,” cost. This shall be applied using the rebasing model implemented for fiscal year 2025 rates, with resulting direct care rates adjusted for this change and inflated to fiscal year 2026 per existing policy. This methodology change shall be maintained until the next rebasing. The department shall have the authority to implement these changes upon federal approval and prior to the completion of any regulatory process.

Id.

DMAS and its Director have refused to modify its nursing facility direct care rates as mandated by Item 288, Paragraph VVVVVV, because of a purported veto by the Governor on May 2, 2025. But that veto was constitutionally insufficient and of no legal effect under established precedent of this Court. The Keeper of the Rolls recognized as much when he refused to publish the veto and correctly published Chapter 725 with Item 288, Paragraph VVVVVV included as the law of the Commonwealth.

In *Commonwealth v. Dodson*, 176 Va. 281 (1940), this Court adjudicated the constitutionality of seven item vetoes in the 1940 budget bill. Under the corresponding constitutional provision at the time, “the governor shall have power to veto any particular item or items of an appropriation bill, but the veto shall not affect the item or items to which he does not object.” *Id.* at 289.

The Court first examined the scope of the term “item”:

An item in an appropriation bill is an indivisible sum of money dedicated to a stated purpose. It is something different from a provision or condition, and where conditions are attached, they must be observed; where none are attached, none may be added.

Id. at 296. The Court contrasted “items” with “conditions” or “restrictions”:

We think it is plain that the veto power does not carry with it power to strike out conditions or restrictions. That would be legislation. Plainly money devoted to one purpose can not be used for another, and it is equally plain that power to impose conditions before it can become available is legislation.

Id. at 296.

In *Brault v. Holleman*, 217 Va. 441 (1976), the Court revisited and further explained the parameters of the item veto:

In the constitutional sense, an item of an appropriation bill is an indivisible sum of money dedicated to a stated purpose; the term refers to something which may be eliminated from the bill without affecting the enactment's other purposes or provisions.

While the Governor is empowered to veto any particular item or items of an appropriation bill, he must, for his veto to be valid, strike down the whole of an item; he cannot disapprove part of an item and approve the remainder. And this rule prevents the Governor from reducing the amount of an appropriation which by itself constitutes an item.

Id. at 447.

Importantly, conditions of an appropriation are not severable from the appropriation itself, and the two must rise or fall together: “Where a condition is attached to an appropriation, the condition must be observed. The Governor cannot veto the appropriation without also disapproving the condition; correspondingly, he cannot veto the condition without also disapproving the appropriation.” *Id.*

At issue in *Brault* was the Governor's veto of a \$5,000,000 annual appropriation for “State aid for capital costs of Metro Rail.” *Id.* The petitioners argued that this appropriation was so tied to another annual appropriation of \$3,500,000 “to be continued for aid to mass transit” for Northern Virginia as to constitute one indivisible item, *id.* (cleaned up),

and the Governor's failure to veto the \$3,500,000 appropriation made the veto of the \$5,000,000 appropriation unconstitutional. *Id.* at 448. The Court disagreed, concluding that the two separate dollar amounts for two separate purposes were sufficiently distinct that the \$5,000,000 appropriation constituted "an indivisible sum of money dedicated to a stated purpose," and therefore an item subject to veto. *Id.* at 450.

In contrast, in *Dodson*, the Court examined seven purported item vetoes and concluded that only one of the vetoes lay within the Governor's constitutional authority as an "item." Three of the vetoes in *Dodson* are particularly instructive: Item 4, a provision that prevented the Virginia State Planning Board from using certain funds to investigate county government; Item 5, a provision preventing the Commission of Fisheries from using any money to operate a particular boat; and Item 6, a provision that would reset certain state officers' annual salaries back to \$4,000 if general reductions became necessary. *Dodson*, 176 Va. at 304.

In each of these vetoes, the Governor attempted to veto a condition that did not itself contain an appropriation, meaning that the appropriated funds were set forth elsewhere in portions of the bill the Governor did not veto. In Item 4, the Governor was not permitted to

strike the condition prohibiting expending funds on investigating county government. In Item 5, the Governor was not permitted to strike the condition prohibiting spending funds on the operation of a particular boat.

Most directly analogous to the instant case, in *Dodson* Item 6, the Governor was not permitted to strike a condition establishing and adjusting salaries of certain personnel. Just as the instant case involves the methodology for establishing rates paid to nursing facilities within the Commonwealth, *Dodson* Item 6 involved a methodology or condition for establishing salaries (i.e., rates) paid to certain personnel. Item 6 did not contain an allocation of money for those personnel, nor does Paragraph VVVVV contain an allocation of money for payments to nursing facilities.

As a result, under *Dodson*, Item 288, Paragraph VVVVV does not constitute an “item” that the Governor was constitutionally permitted to veto. Without that veto, Paragraph VVVVV is the law of the Commonwealth and compels DMAS to take action to modify its rates. Petitioners are clearly entitled to relief under the law.

B. Respondents have a legal duty to perform the act which Petitioners seek to compel

At the risk of stating the obvious, the executive branch has a duty to comply with all laws enacted by the General Assembly. “The underlying enacted legislation is found in the Acts of the General Assembly and is the complete and accurate statutory law in Virginia.” *Verizon Online LLC v. Horbal*, 293 Va. 176, 183 (2017) (cleaned up). “Simply put, the language of the Acts of Assembly is the plain language of the statute.” *Eberhardt v. Fairfax County Emps. Ret. Sys. Bd. of Trs.*, 283 Va. 190, 194 (2012). Therefore, Chapter 725 of the 2025 Acts of Assembly—which does *not* contain the Governor’s veto of Paragraph VVVVV—is the official statement of the law³ and DMAS has no authority to ignore it.

In mandamus cases, the legal duty of a respondent can be compelled if it is a ministerial duty rather than a discretionary one. “A ministerial act can perhaps be defined to be one which a person performs in a given

³ As this Court noted in *Eberhardt*, although the Virginia Code Commission arranges and publishes statutes, “the Code omits many laws because they . . . are not permanent, such as the biennial appropriations act and its amendments.” 283 Va. at 194 n.4. Therefore, “while the Code of Virginia is often regarded as the complete statutory law of the Commonwealth, that is not the case.” *Id.* at 194.

state of facts and prescribed manner in obedience to the mandate of legal authority without regard to, or the exercise of, his own judgment upon the propriety of the act being done.” *Dovel v. Bertram*, 184 Va. 19, 22 (1945) (citation omitted).

There is a difference between compelling a mandatory act and compelling the exercise of discretion in a particular way in performing that mandatory act. In the context of mandamus directed to judges of inferior courts, this Court has stated:

[Mandamus] may be appropriately used and is often used to compel courts to act where they refuse to act and ought to act, but not to direct and control the judicial discretion to be exercised in the performance of the act to be done; to compel courts to hear and decide where they have jurisdiction, but not to pre-determine the decision to be made; to require them to proceed to judgment, but not to fix and prescribe the judgment to be rendered.

Moreau v. Fuller, 276 Va. 127, 135-36 (2008) (quoting *Page v. Clopton*, 71 Va. (30 Gratt.) 415 (1878)).

Similarly, in *Town of Front Royal v. Front Royal & Warren Cty. Indus. Park Corp.*, 248 Va. 581 (1994), this Court affirmed the circuit court’s grant of mandamus to compel a town to construct sewer lines. A decree of an annexation court required the town to construct sewer lines within five years of the effective date of annexation. *Id.* at 583. The town

argued that mandamus was inappropriate because the town had discretion to determine when to extend the sewer lines to the petitioners' properties, but this Court rejected the argument, holding that the town had a ministerial, nondiscretionary duty under the decree. *Id.* at 585. To the extent the town had the discretion to decide when within the five-year period the sewer lines should be constructed, that discretion vanished altogether once the five-year period expired. *Id.*

So too here: although Paragraph VVVVV of Item 288 did not give DMAS the specific dollar rates to apply, and thus DMAS may have some discretion in gathering and interpreting the data to *apply* to the cost methodology, Paragraph VVVVV did not give DMAS the discretion to *ignore* the command and *altogether refuse* to modify its rates using the required methodology. *See Early Used Cars, Inc. v. Province*, 218 Va. 605, 609 (1977) (“Mandamus will lie to compel performance of a ministerial, not a discretionary, act, but the duty is no less ministerial because the officer must determine the facts which make it necessary for him to act.”).

Instead, Chapter 725 of the 2025 Acts of Assembly stated unequivocally that DMAS “*shall* modify nursing facility direct base care rates” using the specified methodology, that this methodology “*shall* be

applied using the rebasing model implemented for fiscal year 2025 rates,” with certain specified adjustments, and that “[t]his methodology change *shall* be maintained until the next rebasing.” (emphasis added). The repeated use of the verb “shall” demonstrates the absence of any discretion for DMAS to refrain from acting. *See, e.g., Wal-Mart Stores E., LP v. State Corp. Comm’n*, 299 Va. 57, 70 (2020) (noting “the traditional, commonly repeated rule is that shall is mandatory and may is permissive”) (citation omitted) (cleaned up).

In the words of *Moreau* and *Page*, compelling Respondents “to act where they refuse to act and ought to act,” “to hear and decide where they have jurisdiction,” and “to proceed to judgment” is the essence of what Petitioners seek here – not to have this Court compel the Director and DMAS to decide that the rate at the 59th percentile cost for a particular facility is any particular dollar amount advocated by Petitioners, merely to have this Court compel the Director and DMAS to initiate and perform the task at all, which they have refused to do. The inaction of Respondents is not an option available to them under the Acts of Assembly.

C. Petitioners have no adequate remedy at law

Mandamus is appropriate in this case because there is no adequate remedy at law. First, although disputes over the efficacy of item vetoes seem to be mercifully rare in the Commonwealth, both of the cases in which this Court previously adjudicated the Governor's power to veto an item invoked this Court's original mandamus jurisdiction. *Dodson*, 176 Va. 281; *Brault*, 217 Va. 441. The writ of mandamus "ought to be used upon all occasions where the law has established no specific remedy, and where in justice and good government there ought to be one." *Commonwealth v. Justices of Fairfax Cty. Court*, 4 Va. 9, 13 (1815). There is no specific remedy at law to challenge an unconstitutional veto by the Governor, other than the mandamus remedy used by this Court in *Dodson*.

Second, even if Petitioners may have some other pecuniary remedy available to them, that does not make any such remedy adequate. For example, when and if DMAS processes claim payments to nursing facilities based upon the old methodology pre-dating Paragraph VVVVV, individual facilities have the ability to appeal individual claim payments pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*

However, by regulation, “A provider may not appeal the actual payment methodologies.” 12 VAC 30-20-520. Here, the issue is not DMAS’s application or interpretation of a methodology under a particular set of facts for a particular claim. The issue is DMAS’s refusal to follow the command of the General Assembly in the first place by modifying its rates, i.e., the “actual payment methodologies.” As a result, by regulation, the APA does not provide Petitioners with an adequate remedy at law.

Moreover, Petitioners represent more than 22,000 nursing facility beds across the Commonwealth. Administratively appealing every underpaid claim for each of 22,000 beds—and forcing DMAS staff and administrative law judges to determine the constitutionality of the Governor’s purported veto each time, a task respectfully likely to fall outside their expertise, followed by serial appeals to circuit court, the Court of Appeals, and ultimately this Court anyway—is a gross waste of party, agency, and judicial resources.

This Court acknowledged such practical impediments to individual remedies when granting mandamus in *Howell v. McAuliffe*, 292 Va. 320 (2016). Although there existed a statutory process for a circuit court to adjudicate a challenge to the registration of any individual voter, such a

remedy was not adequate to address the wholesale grant of voting privileges to felons via executive order:

A remedy is adequate only if it is equally as convenient, beneficial, and effective as the proceeding by mandamus. An adequate remedy must reach the whole mischief, and secure the whole right of the party in a perfect manner, at the present time and in the future. Moreover, consideration must be given to the urgency that prompts the exercise of the discretion, the public interest and interest of other persons, the results that will occur if the writ is denied, and the promotion of substantial justice.

Id. at 351 n.17 (citations omitted) (cleaned up).

Here, the issue of the methodology for setting nursing home reimbursement rates for the 2026 fiscal year is an issue common to all nursing facilities across the Commonwealth, including Petitioners, an issue that does not turn on the facts of any particular nursing facility resident or any particular claim to or payment by DMAS. There is no alternative proceeding that is “equally convenient, beneficial, and effective as the proceeding by mandamus,” nor any other remedy that “reach[es] the whole mischief” of DMAS’s refusal to follow the nondiscretionary command of the General Assembly.

IV. CONCLUSION

This Court has intervened before to adjudicate the constitutionality of a purported item veto. The issue “is of importance; it deals with the line of demarcation between the three great political subdivisions of government marked out in our Constitution. To some extent, at least, it tells us when they may overlap and when not.” *Dodson*, 176 Va. at 313. The Keeper of the Rolls correctly refused to register the Governor’s unconstitutional veto. Chapter 725 of the 2025 Acts of Assembly includes Item 288, Paragraph VVVVV. That provision is the law of the Commonwealth, and DMAS and its Director have no discretion or authority whatsoever to ignore it. This Court should issue its writ of mandamus accordingly.

Respectfully submitted,

**THE NURSING FACILITY
PETITIONERS**

By: 
John S. Buford (VSB No. 89041)
Abby L. Dreiling (VSB No. 100568)
HANCOCK, DANIEL & JOHNSON, P.C.
4701 Cox Rd., Suite 400
Glen Allen, VA 23060
Tel.: 804-967-9604
Fax: 804-967-9888
jbuford@hancockdaniel.com
adreiling@hancockdaniel.com
Counsel for Petitioners

CERTIFICATE OF COUNSEL

1. Petitioners do not believe the taking of evidence is necessary.
2. The foregoing contains 8,568 words as computed by Microsoft

Word according to the requirements of Rule 5:7(b)(7), which is fewer than the 8,750-word limit contained in that Rule.

/s/ John S. Buford

John S. Buford (VSB No. 89041)

HANCOCK, DANIEL & JOHNSON, P.C.

4701 Cox Rd., Suite 400

Glen Allen, VA 23060

Tel.: 804-967-9604

Fax: 804-967-9888

jbuford@hancockdaniel.com

Counsel for Petitioners

VERIFICATION

The undersigned hereby declares under penalty of perjury that the foregoing is true and correct in accordance with Va. Code § 8.01-4.3.

Executed this 2nd day of September, 2025.



Keith Hare
President and CEO
Virginia Health Care Association –
Virginia Center for Assisted Living

EXHIBIT 1 (Governor's Memorandum of May 2, 2025)

May 2, 2025

TO: HOUSE OF DELEGATES
HOUSE BILL NO. 1600

Dear Members of the General Assembly:

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

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

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

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

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

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

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

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

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

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

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

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

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

Current Revenue Scenarios

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

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

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

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

Maintaining a Strong, Dynamic Virginia

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

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

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

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

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

My item vetoes are described in detail below.

Sincerely,

GLENN YOUNGKIN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item 296.N – Increased Funding for Geriatric and Dementia Services. The amendment adopted by the General Assembly provides additional ongoing funding to Area Agencies on Aging in Richmond and Roanoke to expand their interdisciplinary plans of care and case management for those with dementia. While this effort is well intended, given the size of the appropriation, it is best considered in a biennial budget rather than in an amended budget bill. Therefore, I veto this Item.

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

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

Item 359.Y – Quantico Creek Flood Mitigation. In the amendments I proposed in March, I recommended a reduction to the spending level included in this Item, however the General

Assembly rejected this reasonable recommendation. I have no objection to the project itself, and there are existing programs, including the Community Flood Preparedness Fund and Stormwater Local Assistance Fund, that are designed to provide funding for this type of project. Given my limited constitutional options, I veto this Item.

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

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

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

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

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

Item 433.H – Hampton Roads Transit. The Virginia Department of Rail and Public Transportation has a system of programs dedicated to providing financial assistance for public transportation. This includes funding the acquisition of transit equipment by local transportation agencies. The General Assembly proposes to provide supplemental general funds to Hampton Roads Transit for a one-time investment with no specificity on the purpose or the benefit to the Commonwealth. In addition to being an unequitable use of Virginia taxpayer dollars for the benefit of one local transit provider, it would be unfair to other local transportation agencies to disproportionately benefit one local provider. Accordingly, I veto this Item.

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

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

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

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

Item C-29.30 – State Park Deferred Maintenance. While additional funding to address deferred maintenance across the Virginia State Park system is commendable, the Department of Conservation and Recreation currently has an allocation of \$45 million to support 19 projects.

Additionally, DCR currently has six capital projects to date that have not yet been able to move forward since initial authorization. Given the potential risks to the Commonwealth's current General Fund forecast, the large size of this appropriation, the ability of the General Assembly to revisit this issue in January, and my fiduciary responsibility to the taxpayers of Virginia, I am vetoing this Item.

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

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

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

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

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

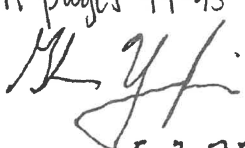
I veto Item 24 on
pages 20-21
ML YL 5-2-25

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

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

I veto Item 75 J
 on page 66
 [Signature]
 5-2-25

ITEM 102.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	<i>Service Area 3. The platform shall provide care coordination across local, regional, and state</i>			
2	<i>entities for mass casualty, evacuation, and other events involving patient transport. The pilot</i>			
3	<i>program will evaluate the effectiveness of an emergency management mobile application</i>			
4	<i>communications platform in Southwest Virginia by measuring its impact on key performance</i>			
5	<i>indicators, including: number of participating organizations/personnel, platform usage, time</i>			
6	<i>to treatment, and user satisfaction. An interim report detailing the pilot program launch will</i>			
7	<i>be submitted to the Chairs of the Senate Finance and Appropriations Committee and the</i>			
8	<i>House Appropriations Committee by December 1, 2025. A final report including quantitative</i>			
9	<i>data and qualitative feedback gathered from participating organizations and personnel will</i>			
10	<i>be submitted to the Chairs by October 1, 2026.</i>			
11	3. <i>The Director of the Department of Housing and Community Development is authorized to</i>			
12	<i>reduce funds provided for major weather event disaster mitigation in paragraph Q.2. if</i>			
13	<i>eligible claims for relief as provided in paragraph Q.1. exceed \$25,000,000, to the extent that</i>			
14	<i>unobligated funds from paragraph Q.2. are available.</i>			
15	4. <i>The department shall report to the General Assembly on the expenditure of funds from</i>			
16	<i>paragraph Q.1. within 90 days of the completion of this assistance program to include total</i>			
17	<i>assistance deployed by type of loss, total victims served, and completion of funded repairs or</i>			
18	<i>new residential construction. The department shall report to the General Assembly on the</i>			
19	<i>expenditure of funds from paragraph Q.2. on or before December 1, 2026, except as provided</i>			
20	<i>in Q.2.c. At a minimum the report shall contain information on the number and type of</i>			
21	<i>applicants, the number of grants made, and expenditure of grant funding, and the projects</i>			
22	<i>completed.</i>			
23	5. <i>The department may recover administrative costs from the amounts provided in this</i>			
24	<i>paragraph including any necessary costs for partnerships with individuals and entities,</i>			
25	<i>including local departments of social services, entities of local government, planning district</i>			
26	<i>commissions, and non-profits to effectuate the provisions of this paragraph. The amounts</i>			
27	<i>provided in this paragraph Q. shall not revert to the general fund at the end of any fiscal</i>			
28	<i>year.</i>			
29	R. <i>Out of this appropriation, \$675,000 the second year from the general fund shall be</i>			
30	<i>provided to support the organizational capacity and administrative needs of the Continuum of</i>			
31	<i>Care lead agencies in Virginia, including local planning groups in the Balance of State</i>			
32	<i>Continuum of Care, as they serve persons at risk of or experiencing homelessness in their</i>			
33	<i>regions. The department shall determine, with input from Continuum of Care lead agencies</i>			
34	<i>and other stakeholders, the activities that are eligible for funding, which shall include but are</i>			
35	<i>not limited to: (i) the development and management of homeless crisis response systems; (ii)</i>			
36	<i>grant administration and reporting; (iii) staff training; and (iv) essential operational tasks.</i>			
37	<i>The department shall provide these funds as grants in a formula determined by the</i>			
38	<i>department with input from stakeholders.</i>			
39	S.1. <i>Out of the amounts appropriated in this item, \$20,000,000 the first year from the general</i>			
40	<i>fund shall be used to establish and implement a rental assistance pilot program in Planning</i>			
41	<i>District Commission Regions 8 and 23. The department may utilize up to five percent of the</i>			
42	<i>funding for the administrative costs associated with implementing the program. The amounts</i>			
43	<i>provided in this paragraph S. shall not revert to the general fund at the end of any fiscal year,</i>			
44	<i>but shall be carried forward and reappropriated.</i>			
45	2. <i>For the purposes of this paragraph, "qualifying household" means a family unit that</i>			
46	<i>resides together in one dwelling (i) that includes at least one person 16 years of age or</i>			
47	<i>younger and (ii) whose income does not exceed 50 percent of the area median income for the</i>			
48	<i>locality in which such family resides, as calculated by the U.S. Department of Housing and</i>			
49	<i>Urban Development.</i>			
50	3. <i>The department shall establish criteria and guidelines for this pilot program on or before</i>			
51	<i>December 1, 2025. The guidelines shall provide that qualifying households may receive</i>			
52	<i>monthly rental assistance equal to the lesser of (i) the amount necessary to reduce their</i>			
53	<i>housing costs to 30 percent of the monthly adjusted net income of the household or (ii) the</i>			
54	<i>applicable payment standard as determined by the department. Rental assistance issued</i>			
55	<i>pursuant to this paragraph may be used for housing in any locality in Planning District</i>			
56	<i>Commission Regions 8 and 23, and for housing costs other than rent, such as security</i>			
57	<i>deposits and application fees.</i>			

I veto Item 102.S
 on pages 94-95

 5-2-25

ITEM 102.

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

Appropriations(\$)	
First Year	Second Year
FY2025	FY2026

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

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

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

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

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

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

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

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

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I veto Item 102.T
On page 95
H. Y. J.
5-2-25

I veto Item 102.V
On pages 95-96
H. Y. J.
5-2-25

H

ITEM 102.	Item Details(\$)		Appropriations(\$)		
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026	
1	incurred by a first-time homebuyer in the purchase of direct ownership in residential real				
2	property in an amount equal to the purchase price value of such property detailed on the				
3	standard purchase agreement.				
4	3. For the purposes of this paragraph, "Eligible first-time homebuyer" means an individual or				
5	married individuals filing jointly (i) who has had no ownership interest in a principal				
6	residence during the preceding three-year period ending on the date of purchase of the				
7	residential real property detailed on the standard purchase agreement and (ii) who has an				
8	annual household income in the most recent taxable year that does not exceed the greater of				
9	(a) \$100,000 or (b) the median annual household income for the locality in which such				
10	residential real property is situated according to the most recent data available from the U.S.				
11	Census Bureau.				
12	4. Of the amounts in this paragraph, the department may use up to \$300,000 to administer				
13	this program. The amounts provided in this paragraph V. shall not revert to the general fund				
14	at the end of any fiscal year, but shall be carried forward and reappropriated.				
15	W. Out of this appropriation, \$13,000,000 the first year from the general fund is provided for				
16	the department to award grants to localities or planning district commissions that have				
17	established or will establish by December 31, 2025, a local Housing Trust Fund for long-term				
18	local investments related to affordable housing. The department shall develop criteria and				
19	guidelines for these one-time grants on or before August 1, 2025. Of the amounts in this				
20	paragraph, \$5,000,000 shall be provided to Prince William County to support affordable				
21	housing. Of the amounts in this paragraph, \$1,000,000 shall be provided to the City of				
22	Emporia to support an affordable housing project. Of the amounts in this paragraph,				
23	\$250,000 shall be provided to Tazewell County for remediation of blighted properties in the				
24	Town of Richlands to create affordable housing construction sites. The amounts provided in				
25	this paragraph W. shall not revert to the general fund at the end of any fiscal year, but shall				
26	be carried forward and reappropriated.				
27	X. The department shall identify programs designed to keep long-term residents in their				
28	primary homes as real property tax liabilities increase, including the Longtime Owner				
29	Occupancy Program (LOOP) as implemented in Philadelphia, Pennsylvania. The department				
30	shall review and provide recommendations for eligibility criteria based on financial				
31	indicators, financing options including voluntary locality contributions or offsets, and assess				
32	feasibility, equity, and efficiency of administration and implementation at the local, regional,				
33	or state level. The department shall convene a group of national, state, and local tax and				
34	housing experts to assist with developing recommendations, with the support of the				
35	Department of Taxation and the Commission on Local Government. The department shall				
36	submit their findings to the Chairs of House General Laws and Senate General Laws and				
37	Technology by September 1, 2025.				
38	Y. Out of this appropriation, \$500,000 the first year from the general fund is provided to the				
39	City of Suffolk to support the construction of a homeless shelter. The amounts provided in this				
40	paragraph Y. shall not revert to the general fund at the end of any fiscal year, but shall be				
41	carried forward and reappropriated.				
42	103.	Community Development Services (53300).....		\$124,652,325	\$93,477,325
43				\$159,702,325	\$81,477,325
44		Community Development and Revitalization (53301)			
45			\$69,166,159	\$39,166,159	
46			\$100,216,159	\$27,166,159	
47		Financial Assistance for Regional Cooperation			
48		(53303).....	\$35,960,497	\$35,960,497	
49		Financial Assistance for Community Development			
50		(53305).....	\$19,525,669	\$18,350,669	
51			\$23,525,669		
52		Fund Sources: General.....	\$94,927,401	\$63,752,401	
53			\$129,977,401	\$51,752,401	
54		Special.....	\$5,246,590	\$5,246,590	
55		Trust and Agency.....	\$150,000	\$150,000	
56		Federal Trust.....	\$24,328,334	\$24,328,334	
57		Authority: Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11;			

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

ITEM 103.

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

Appropriations(\$)
 First Year Second Year
 FY2025 FY2026

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

7 BB. Out of this appropriation, \$2,500,000 the first year from the general fund is provided for
 8 the Urban Public-Private Partnership Redevelopment Fund. Notwithstanding the provisions
 9 of § 15.2-2417, Code of Virginia, the department shall develop appropriate criteria and
 10 guidelines for the administration of the grant program. Such criteria shall include (i) how to
 11 prioritize awards for (a) localities experiencing an above average and high level of fiscal
 12 stress as designated by the Commission on Local Government in its most recent "Report on
 13 Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Cities and
 14 Counties" and (b) localities experiencing a significant decrease in commercial real estate
 15 assessments and (ii) the amount and type of local match, to include both requirements that
 16 consider monetary contributions and requirements that consider nonmonetary contributions.
 17 Eligible project partners for local governments shall include private developers including
 18 limited partnerships, limited liability companies, or domestic corporations, nonprofit
 19 organizations that are exempt from taxation under § 501(c)(3) of the Internal Revenue Code,
 20 local government and regional authorities, land bank entities as defined by § 15.2-7500, and
 21 common interest communities as defined by § 54.1-2345, including property owners'
 22 associations as defined by the Property Owners' Association Act (§ 55.1-1800 et seq.),
 23 condominium unit owners' associations established pursuant to the Virginia Condominium
 24 Act (§ 55.1-1900 et seq.), and real estate cooperative associations established pursuant to the
 25 Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.). Of the amounts in this paragraph,
 26 \$200,000 is provided to the department for program administration.

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

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

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

39 104. Not set out.

40 105. Not set out.

41 106. Not set out.

42 107. Not set out.

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

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

46 General Fund Positions.....

111.25 111.25

47 Nongeneral Fund Positions.....

104.75 104.75

48 Position Level.....

216.00 216.00

49 Fund Sources: General.....

\$225,629,060 \$193,329,060

50

\$362,179,060 \$181,329,060

51 Special.....

\$103,461,630 \$103,461,630

52 Trust and Agency.....

\$150,000 \$150,000

1 veto Item 103.BB
 on page 106

M. J. J.
 5-2-25

1 veto Item 103.CC
 on page 106

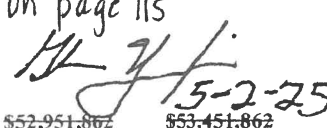
M. J. J.
 5-2-25

1 veto Item 103.EE
 on page 106

M. J. J.
 5-2-25

ITEM 109.		Item Details(\$)		Appropriations(\$)		
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026	
1	Federal Trust.....	\$2,146,870	\$2,146,870			
2	Authority: Title 45.2, Chapter 17, Code of Virginia.					
3	A. Out of this appropriation, \$38,362 the first year and \$38,362 the second year from the					
4	general fund shall be provided for dues and expenses for the Southern States Energy Board.					
5	B. To defray the costs of implementing the Virginia Energy Management Program, the					
6	Department of Energy is authorized to have included in state fuel oil, natural gas, electricity,					
7	and similar energy contracts a provision for suppliers to collect from using agencies and remit					
8	to the department an administrative surcharge. The surcharge shall reflect the department's					
9	actual costs to administer the program. Additionally, the department is authorized, consistent					
10	with federal funding rules, to distribute energy-related federal funds as grants or as loans to					
11	other state or nonstate agencies for use in financing energy-related projects, and to recover					
12	from the recipient an administrative service charge to recover the department's costs of					
13	administering such grant or loan programs.					
14	C. Out of this appropriation, \$137,000 the first year and \$137,000 the second year from the					
15	general fund is provided to support one position within the Division of Energy to assist					
16	localities with siting, procurement, land use concerns, and other solar energy-related issues.					
17	D. Out of this appropriation, \$387,500 the first year and \$387,500 the second year from the					
18	general fund is provided to support the Office of Offshore Wind to coordinate state agency					
19	activities to develop and execute strategies that reduce barriers for deployment of offshore					
20	wind and attract offshore wind supply chain businesses for Virginia's benefit, promote					
21	Virginia's infrastructure and workforce development assets, work with public and private					
22	sector partners to make Virginia a regional hub for offshore wind, and to provide staff support					
23	for the Virginia Offshore Wind Development Authority.					
24	E. Out of this appropriation, \$250,000 the first year and \$250,000 the second year from the					
25	general fund is provided to expand capacity at the department to focus on solar and energy					
26	efficiency projects. This funding shall support the following activities: (i) securing and					
27	maximizing federal grants; (ii) building relationships with federal agencies; and (iii)					
28	supporting economic development of renewable energy industries and their relevant supply					
29	chains.					
30	<u>F. Upon the effective date of this act, in accordance with § 4-14.00, the State Comptroller</u>					
31	<u>shall revert to the general fund \$10,000,000 from the general fund balances of this</u>					
32	<u>department.</u>					
33	110. Not set out.					
34	Total for Department of Energy.....			\$55,430,090	\$55,430,090	
35				\$55,655,090	5-2-25	
36	General Fund Positions.....	113.47	113.47			
37	Nongeneral Fund Positions.....	123.53	123.53			
38	Position Level.....	237.00	237.00			
39	Fund Sources: General.....	\$16,363,489	\$16,363,489			
40		\$16,588,489				
41	Special.....	\$8,577,088	\$8,577,088			
42	Trust and Agency.....	\$525,000	\$525,000			
43	Dedicated Special Revenue.....	\$1,089,283	\$1,089,283			
44	Federal Trust.....	\$28,875,230	\$28,875,230			
45	§ 1-23. DEPARTMENT OF SMALL BUSINESS AND SUPPLIER DIVERSITY (350)					
46	111. Economic Development Services (53400).....			\$9,326,797	\$8,826,797	
47				\$9,476,797	\$8,912,875	
48	Minority Business Enterprise Procurement Reporting					
49	and Coordination (53406).....	\$6,098	\$6,098			
50	Minority Business Enterprise Outreach (53407).....	\$193,625	\$193,625			
51		\$112,440	\$112,440			

I veto 109.F
on page 108
[Signature]
\$55,430,090
\$55,655,090
5-2-25

ITEM 113.	Item Details(S)		Appropriations(S)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	<i>item. Such criteria shall include: (i) a limitation of eligibility to for-profit business and</i>			
2	<i>nonprofit organizations, excluding institutions of higher education, with physical</i>			
3	<i>operations and facilities in Virginia and 150 or fewer Virginia-based employees; (ii)</i>			
4	<i>certification of employer eligibility by the authority following a training program of</i>			
5	<i>reasonable duration and agreement by the employer to reasonable mentoring and</i>			
6	<i>reporting obligations; (iii) a limitation of grant awards to reimbursement, not to exceed</i>			
7	<i>\$7,500 per higher education related internship, for a maximum of one-half of wages,</i>			
8	<i>including FICA, and workplace subsidies, including transportation, housing, and other</i>			
9	<i>internship-related expenses, paid to or for the benefit of a student participating in a</i>			
10	<i>qualifying internship; (iv) the minimum and maximum number of hours required to ensure</i>			
11	<i>the student gains valuable work experience; (v) a limitation of the qualifying number of</i>			
12	<i>higher education related internships per employer; and (vi) the maximum timeframe for</i>			
13	<i>employers to be eligible to receive the grants. Prioritization of grant awards may consider</i>			
14	<i>employers of 50 or fewer employees. The authority may provide other services to</i>			
15	<i>employers, including arranging for one or more staffing agencies to provide services</i>			
16	<i>related to higher education related intern recruitment and placement, but eligibility for</i>			
17	<i>matching grants shall not be conditioned on an employer's engagement with or use of</i>			
18	<i>such staffing agency or other services.</i>			
19	<i>6. VEDP may employ a program administrator, contract for professional services related</i>			
20	<i>to marketing and communications, and take such other actions within its existing authority</i>			
21	<i>as it deems appropriate to accomplish the purposes of this paragraph and facilitate the</i>			
22	<i>partnerships and collaboration described herein. All activities and amounts are subject to</i>			
23	<i>annual approval by the Board of VEDP.</i>			
24	<i>U. Out of this appropriations, \$1,500,000 the first year from the general fund is provided</i>		I veto Item 113.4 on page 115 	
25	<i>to the authority to promote Virginia to national and international site consultants,</i>			
26	<i>corporate executives, and others tasked with making business location recommendations</i>			
27	<i>and decisions.</i>			
28	Total for Virginia Economic Development		\$52,951,862	\$53,451,862
29	Partnership.....		\$54,451,862	\$59,451,862
30				
31	Fund Sources: General.....	\$52,951,862	\$53,451,862	
32		\$54,451,862	\$59,451,862	
33	§ 1-26. VIRGINIA TOURISM AUTHORITY (320)			
34	114. Tourist Promotion (53600).....		\$32,214,929	\$26,014,929
35			\$37,284,929	\$26,139,929
36	Tourist Promotion Services (53607)	\$32,214,929	\$26,014,929	
37		\$37,284,929	\$26,139,929	
38	Fund Sources: General.....	\$32,214,929	\$26,014,929	
39		\$37,284,929	\$26,139,929	
40	Authority: Title 2.2, Chapter 22, Article 8, Code of Virginia.			
41	A.1. The Department of Transportation shall pay to the Virginia Tourism Authority			
42	\$1,425,000 the first year and \$1,425,000 the second year for continued operation of the			
43	Welcome Centers, of which \$225,000 the first year and \$225,000 the second year is for			
44	maintenance of the Danville Welcome Center. The Department of Transportation shall			
45	fund maintenance at each state Welcome Center based on the agreed-upon service levels			
46	contained in the Memorandum of Agreement between the Virginia Tourism Authority and			
47	the Department of Transportation.			
48	2. To the extent necessary to fund the operations of the Welcome Centers, the Virginia			
49	Tourism Authority is authorized to collect fees paid by businesses for display space at the			
50	Welcome Centers.			
51	B. Upon authorization of the Governor, the Virginia Tourism Authority may transfer			
52	funds appropriated to it by this act to a nonstock corporation.			
53	C. Prior to July 1 of each fiscal year, the Virginia Tourism Authority shall provide to the			
54	Chairs of the House Appropriations and Senate Finance and Appropriations Committees			

ITEM 114.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	K. Out of the amounts in this Item, \$2,140,000 the first year and \$2,140,000 the second			
2	year from the general fund is provided for grants to promote tourism in accordance with			
3	the provisions of § 2.2-2320.2, Code of Virginia.			
4	L. The Virginia Tourism Authority shall provide technical assistance to the City of			
5	Danville on how best to plan for increased tourism in the Southside region due to			
6	infrastructure improvements at the Virginia International Raceway and the opening of a			
7	casino in the City.			
8	M. Out of this appropriation, \$300,000 the first year from the general fund shall be used			
9	by the authority to develop a marketing and promotional campaign to increase visitation to			
10	the Carter Family Fold. The authority will develop, create, and manage the campaign and			
11	may coordinate with existing regional marketing organizations and other state tourism			
12	agencies to maximize the economic impact of this campaign.			
13	N. Out of this appropriation, \$100,000 the first year from the general fund is provided to			
14	the City of Virginia Beach for the development of a Hampton Roads African American			
15	Heritage travel guide.			
16	O. Out of this appropriation, \$5,000,000 the first year from the general fund is provided			
17	for sponsorship and partnership with and promotion of the Ladies Professional Golf			
18	Association's (LPGA) 2024 Solheim Cup hosted in Gainesville, Virginia. The authority			
19	shall use these funds to: (i) promote Prince William County and other Virginia Tourism			
20	assets during this event, and (ii) provide grants to Prince William County to address public			
21	safety and transportation services required for the domestic and international travelers			
22	attending the event.			
23	P. Out of the amounts in this item, \$330,012 the first year and \$330,012 the second year			
24	from the general fund is provided to promote and advertise tourism in Virginia. These			
25	amounts include \$130,012 in the first year and \$130,012 in the second year for a			
26	partnership operated by the Virginia Association of Broadcasters to advertise Virginia			
27	Tourism, provided the Association contributes a total of at least \$390,036 in television and			
28	radio advertising value to promote tourism in Virginia in the first year and \$390,036 in the			
29	second year. Also included in these amounts is \$100,000 the first year and \$100,000 the			
30	second year to promote Virginia Parks, and \$100,000 the first year and \$100,000 the			
31	second year to promote Virginia's wineries.			
32	Q. Out of the amounts in this item, \$497,544 the first year and \$497,544 the second year			
33	from the general fund is provided to purchase media in the Washington, D.C., Virginia,			
34	and Baltimore, Maryland markets through a partnership operated by the Virginia			
35	Association of Broadcasters, in association with its affiliates in other states in the region,			
36	provided that the Association can obtain contributions of at least \$1,492,632 the first year			
37	and \$1,492,632 the second year in television, radio, and station-related internet advertising			
38	value to promote tourism in Virginia.			
39	<i>R. Out of this appropriation, \$3,000,000 the first year from the general fund is provided to</i>			
40	<i>Prince William County to support the promotion of a major sporting event occurring</i>			
41	<i>between June 6th through June 8th of 2025. Any funding remaining at the end of the fiscal</i>			
42	<i>year 2025 shall be carried forward into the next fiscal year and reappropriated for the</i>			
43	<i>purposes described in this paragraph R., and shall not revert to the general fund.</i>			
44	<i>S. Out of this appropriation, \$50,000 the first year from the general fund is provided to</i>			
45	<i>Wise County for the Blue Highway Festival. Any funding remaining at the end of the fiscal</i>			
46	<i>year 2025 shall be carried forward into the next fiscal year and reappropriated for the</i>			
47	<i>purposes described in this paragraph S., and shall not revert to the general fund.</i>			
48	<i>T. Out of this appropriation, \$125,000 the first year and \$125,000 the second year from</i>			
49	<i>the general fund is provided to the City of Norfolk for Nauticus to support education</i>			
50	<i>programming for Schooner Virginia. Any funding remaining at the end of the fiscal year</i>			
51	<i>2025 shall be carried forward into the next fiscal year and reappropriated for the</i>			
52	<i>purposes described in this paragraph T., and shall not revert to the general fund.</i>			
53	<i>U. Out of this appropriation, \$1,250,000 the first year from the general fund is provided</i>			
54	<i>for the Virginia Tourism Authority to develop a marketing campaign to attract out of state</i>			

Veto Item 114. U on pages 117-118

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5-2-25

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

ITEM 119.

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

Appropriations(\$)
First Year Second Year
FY2025 FY2026

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

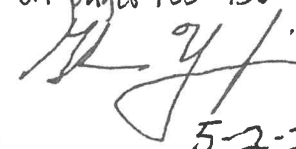
3 B. Out of this appropriation, \$1,551,416 the first year and \$1,551,416 the second year
4 from the general fund is provided for continued computer adaptive test transition and
5 revision.

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

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

22	120.	School and Division Assistance (18500).....			\$10,039,341	\$10,039,341
23						\$15,024,149
24		School Improvement (18501).....	\$4,641,016	\$4,641,016		
25		School Nutrition (18502).....	\$4,871,374	\$4,871,374		
26				\$9,856,182		
27		Pupil Transportation (18503).....	\$526,951	\$526,951		
28		Fund Sources: General.....	\$5,240,740	\$5,240,740		
29		Special.....	\$31,010	\$31,010		
30		Federal Trust.....	\$4,767,591	\$4,767,591		
31				\$9,752,399		

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



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

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

36 Pupil Transportation: Title 22.1, Chapter 12, and Title 46.2, Code of Virginia; P. L. 103-
37 272 and P.L. 109-20, Federal Code.

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

41 B. Notwithstanding the provisions of § 2.2-1502.1, Code of Virginia, the Board of
42 Education, in cooperation with the Department of Planning and Budget, is authorized to
43 invite a school division to participate in the school efficiency review program described in
44 § 2.2-1502.1, Code of Virginia, as a component of a division level academic review
45 pursuant to § 22.1-253.13:3, Code of Virginia.

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

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

ITEM 120.

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

Appropriations(\$)	
First Year FY2025	Second Year FY2026

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

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

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

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

15 121. Not set out.

16 122. Not set out.

17 123.	Administrative and Support Services (1990).....			\$27,294,418	\$27,294,418
18				\$32,432,418	\$28,169,584
19	General Management and Direction (1990).....	\$6,824,835	\$6,824,835		
20		\$4,998,310	\$4,998,310		
21	Information Technology Services (19902).....	\$12,783,632	\$12,783,632		
22		\$17,921,632	\$13,658,798		
23	Accounting and Budgeting Services (19903).....	\$4,745,795	\$4,745,795		
24		\$6,572,320	\$6,572,320		
25	Policy, Planning, and Evaluation Services (19929).....	\$2,940,156	\$2,940,156		
26	Fund Sources: General.....	\$24,080,790	\$24,080,790		
27		\$29,218,790			
28	Special.....	\$3,097,669	\$3,097,669		
29	Federal Trust.....	\$115,959	\$115,959		
30			\$991,125		

31 Authority: Article VIII, Sections 2, 4, 5, 6, 8, Constitution of Virginia; Title 2.2, Chapters 10,
 32 12, 29, 30, 31, and 32; Title 22.1, 22.1-8 through 20, 22.1-21 through 24; Title 51.1, Chapters
 33 4, 5, 6.1, and 11; Title 60.2, Chapters 60.2-100, 60.2-106; Title 65.2, Chapters 1, 6, and 9,
 34 Code of Virginia; P.L. 108-446, P.L. 107-110, Federal Code.

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

40 B. Out of this appropriation \$79,000 the first year and \$79,000 the second year from the
 41 general fund is provided for the fees and travel expenses associated with the Interstate
 42 Compact on Educational Opportunity for Military Children, established pursuant to Chapter
 43 187, of the 2009 Acts of Assembly.

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

ITEM 125.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	A. Out of this appropriation, \$366,312,192 \$391,312,192 the first year and \$461,691,610			
2	the second year from the general fund is provided to support the Child Care Subsidy			
3	Program, Mixed Delivery Program, and Virginia Preschool Initiative Early Childhood			
4	Care and Education Programs as provided below.			
5	Item 472 (2) of this act and Item 486 (2) of the 2022-2024 Appropriation Act provide that			
6	federal ARPA-SLRF funds returned to the State and Local Recovery Fund may be used to			
7	supplement the Child Care Subsidy Program. General funds in this Item shall be			
8	unallotted in the first year in an amount equivalent to the supplemental funds provided			
9	from the State and Local Recovery Fund, <i>and the Director, Department of Planning and</i>			
10	<i>Budget, shall revert such unallotted amounts to the general fund on or before June 30,</i>			
11	<i>2025.</i>			
12	Program	FY 2025		FY 2026
13	Child Care Subsidy Program	42,719 slots		45,159 slots
14	General Fund	\$169,836,446		\$266,500,894
15		\$174,992,388		
16	Federal CCDF	\$129,871,766		\$131,518,476
17	Federal ARPA-SLRF	\$63,996,516		\$0
18		\$69,014,425		
19	TANF/VIEW & Fee for Service (GF	\$26,864,671		\$26,864,671
20	appropriated through Department of			
21	Social Services)			
22	CCDF Total	\$390,569,399		\$424,884,041
23		\$400,743,250		
24	Mixed Delivery Grant Program	2,530 slots		2,530 slots
25	General Fund	\$38,837,720		\$38,837,720
26	Virginia Preschool Initiative			
27	General Fund: Four Year Olds	\$124,521,106		\$123,236,076
28		\$128,616,155		
29	General Fund: VPI Expansion	\$33,116,920		\$33,116,920
30		\$23,865,929		
31	VPI Total	\$157,638,026		\$156,352,996
32		\$152,482,084		
33	Employee Child Care Assistance Pilot	\$25,000,000		\$0
34	Program			
35	Total General Funds	\$366,312,192		\$461,691,610
36		\$391,312,192		
37	B. Child Care Subsidy Program			
38	1. The Department of Education and the Department of Social Services shall determine			
39	the amount of nongeneral funds to be transferred to the Department of Social Services to			
40	address costs associated with administration of the Child Care and Development Fund			
41	each year from amounts appropriated in Item 117. Additionally, the Department of			
42	Education and the Department of Social Services shall determine the amount of general			
43	and nongeneral funds to be transferred to the Department of Social Services to support			
44	the budgeted slots in the Child Care Subsidy Program from amounts appropriated in this			
45	Item.			
46	2. The Department of Education, in collaboration with the Department of Social Services,			
47	shall prepare an annual Child Care and Development Fund (CCDF) report that reflects all			
48	CCDF expenditures from the previous fiscal year; current grant balances and obligation			
49	and liquidation deadlines; as well as all anticipated spending for the current and two			
50	subsequent fiscal years. Identified spending should, at a minimum, be broken down by			
51	subsides (mandated and discretionary); administrative costs; and quality efforts. The plan			
52	also shall include a certification from the Department that the maximum amount of federal			

1 veto
Item
125.1
On page
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5-2-23

ITEM 125.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	<i>Commission shall consult representatives of school divisions, 21st Century Learning</i>			
2	<i>grantees, private childcare providers, Virginia Partnership for Out-of-School Time, local</i>			
3	<i>Parks and Recreation entities, the YMCA, Communities in Schools, Boys and Girls Clubs,</i>			
4	<i>and other non-profit organizations that provide out-of-school time programming.</i>			
5	2. <i>Approaches to maximize state and federal resources by adjusting income eligibility</i>			
6	<i>requirements to reflect regional costs of living variations.</i>			
7	<i>The Commission shall provide a report on its recommendations to the Governor and the</i>			
8	<i>Chairs of the House Appropriations and Senate Finance and Appropriations Committees</i>			
9	<i>by December 1, 2025.</i>			
10	J. <i>The Employee Child Care Assistance Pilot Program (the Pilot Program) is established</i>			
11	<i>for the purpose of providing matching funds in order to incentivize employers to</i>			
12	<i>contribute to the child care costs of their employees. The Pilot Program shall be</i>			
13	<i>administered by the Virginia Early Childhood Foundation (the Foundation). The</i>			
14	<i>Foundation shall establish such guidelines and procedures as it deems necessary for the</i>			
15	<i>administration of the Pilot Program, subject to the following conditions and requirements:</i>			
16	1. <i>To participate in the Pilot Program, an employer shall agree to make child care</i>			
17	<i>contributions to an eligible mixed delivery provider on behalf of the employee and shall</i>			
18	<i>provide any other information deemed necessary by the Foundation. The Foundation shall</i>			
19	<i>issue a state match directly to an eligible mixed delivery provider, or to a third-party</i>			
20	<i>administrator, that has entered into an agreement with a participating employer.</i>			
21	2. <i>The Foundation shall, in consultation with the Early Childhood Care and Education</i>			
22	<i>Commission, establish guidelines for the pilot program. Such guidelines shall: (i) limit</i>			
23	<i>eligibility for state contributions for slots serving households with income at or below 85</i>			
24	<i>percent of the state median income; (ii) establish a schedule of expected family</i>			
25	<i>copayments not to exceed 5 percent of household income for households with income at or</i>			
26	<i>below 300 percent of the federal poverty level and between 5 percent and 10 percent of</i>			
27	<i>family income for households with incomes above 300 percent of the federal poverty level</i>			
28	<i>and below 85 percent of the state median income; and (iii) provide that the state match</i>			
29	<i>does not exceed 40 percent of the cost of the slot remaining after application of family</i>			
30	<i>copayments.</i>			
31	3. <i>Pilot Program funds shall be provided on a first-come, first-served basis. The</i>			
32	<i>Foundation is encouraged to prioritize participation of small businesses and serving a</i>			
33	<i>variety of employers and employees representing each Ready Region.</i>			
34	4. <i>The Foundation may combine the Pilot Program with or incorporate the Pilot Program</i>			
35	<i>into a program or initiative related to the Mixed Delivery Program provided that such a</i>			
36	<i>combination allows for the maximization of funds used for the purposes in this item.</i>			
37	5. <i>The Foundation shall provide a report to the General Assembly by September 1 each</i>			
38	<i>year on the effectiveness and impact of the program.</i>			
39	6. <i>Any balances appropriated for the Pilot Program that are unexpended on June 30,</i>			
40	<i>2025, June 30, 2026 and June 30, 2027, shall not revert to the general fund but shall be</i>			
41	<i>reappropriated for expenditure for the same purpose until June 30, 2028.</i>			
42	7. <i>For the purpose of the Pilot Program, "Eligible mixed delivery provider" means a child</i>			
43	<i>day center or family day home that has been selected or identified to deliver mixed</i>			
44	<i>delivery services through a local agreement with the relevant regional entity established</i>			
45	<i>pursuant to subsection D of § 22.1-289.05 of the Code of Virginia. "Employer" means an</i>			
46	<i>employer with at least one employee who works in the Commonwealth in each of 20 or</i>			
47	<i>more calendar weeks in the current or preceding calendar year, and "Small business"</i>			
48	<i>means an employer with fewer than 50 employees.</i>			
49	K. <i>Out of this appropriation, \$400,000 the first year from the general fund is provided for</i>			
50	<i>the Small Family Day Home Provider Incentive Pilot Program established in House Bill</i>			
51	<i>1833. This is a one-time appropriation, and unexpended funds shall be carried forward</i>			
52	<i>into subsequent fiscal years and be used to support the pilot program until its expiration</i>			
53	<i>at the end of fiscal year 2029.</i>			

I veto Item 125.10.J
on page 189 and 197

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5-2-25

ITEM 233.		Item Details(\$)		Appropriations(\$)		
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026	
1	Fund Sources: General.....	\$13,286,032	\$13,286,032			
2		\$13,534,941				
3	Special.....	\$6,452,595	\$6,452,595			
4	Enterprise.....	\$7,479,910	\$7,479,910			
5	Dedicated Special Revenue.....	\$20,074,288	\$20,074,288			
6	Federal Trust.....	\$250,000	\$250,000			
7	§ 1-53. NEW COLLEGE INSTITUTE (938)					
8	234. Administrative and Support Services (19900).....			\$4,686,850	\$4,686,850	
9				\$5,186,850		
10	Operation of Higher Education Centers (19931).....	\$4,686,850	\$4,686,850			
11		\$5,186,850				
12	Fund Sources: General.....	\$3,101,809	\$3,101,809			
13		\$3,601,809				
14	Special.....	\$1,585,041	\$1,585,041			
15	Authority: Title 23.1, Chapter 31, Article 4, Code of Virginia.					
16	A. It is the intent of the General Assembly that the New College Institute, the Institute for					
17	Advanced Learning and Research, and the Southern Virginia Higher Education Center					
18	coordinate their activities, both instructional and research, to the maximum extent possible to					
19	best meet the needs of the citizens of the region, to ensure effective utilization of resources,					
20	and to avoid unnecessary duplication. The three entities shall report annually by October 1 to					
21	the Secretary of Education and the State Council of Higher Education and the Department of					
22	Planning and Budget on their joint efforts in this regard.					
23	B. The requirements of § 4-5.05 shall not apply to this appropriation.					
24	C. Notwithstanding any other provision of law, New College Institute is authorized to retain					
25	the income generated by the rental of space at the Building on Baldwin in Martinsville, VA to					
26	outside entities.					
27	Total for New College Institute.....			\$4,686,850	\$4,686,850	
28				\$5,186,850		
29	General Fund Positions.....	23.00	23.00			
30	Nongeneral Fund Positions.....	6.00	6.00			
31	Position Level.....	29.00	29.00			
32	Fund Sources: General.....	\$3,101,809	\$3,101,809			
33		\$3,601,809				
34	Special.....	\$1,585,041	\$1,585,041			
35	235. Not set out.					
36	§ 1-54. ROANOKE HIGHER EDUCATION AUTHORITY (935)					
37	236. Administrative and Support Services (19900).....			\$2,802,652	\$2,884,652	
38				\$3,447,824		
39	Operation of Higher Education Centers (19931).....	\$2,802,652	\$2,884,652			
40		\$3,447,824				
41	Fund Sources: General.....	\$2,802,652	\$2,884,652			
42		\$3,447,824				
43	Authority: Title 23.1, Chapter 31, Article 5, Code of Virginia.					
44	A. The requirements of § 4-5.05 shall not apply to this appropriation.					
45	Total for Roanoke Higher Education Authority.....			\$2,802,652	\$2,884,652	
46				\$3,447,824		
47	Fund Sources: General.....	\$2,802,652	\$2,884,652			
48		\$3,447,824				

\$4,686,850 \$4,686,850
\$5,186,850

1 veto item 234
on page 276

[Signature]

5-2-25

\$4,686,850 \$4,686,850
\$5,186,850

ITEM 288.

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

Appropriations(\$)	
First Year	Second Year
FY2025	FY2026

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

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

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

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

I veto Item 288.00.9.d
on pages 351-352
[Signature]
5-2-25

ITEM 288.	1 Veto Item 288. 00.9.9 on pages 351-352 HLY 5-2-23	Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026

shall be borne by program participants.

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

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

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

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

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

ITEM 288.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	Health - Partial Hospitalization, Family Functional Therapy and Multisystemic Therapy.			
2	NNNN. The Department of Medical Assistance Services shall increase the rates for mental			
3	neath partial hospitalization from a per diem rate of \$250.62 to \$500.00 and shall increase			
4	the rate for mental health intensive outpatient programs from a per diem of \$159.20 to			
5	\$250.00. The department shall have the authority to implement this reimbursement change			
6	effective January 1, 2024, and prior to the completion of any regulatory process			
7	undertaken in order to effect such change.			
8	OOOO. Effective January 1, 2024, the Department of Medical Assistance Services is			
9	authorized to amend the State Plan for Medical Assistance Services to: (i) extend the age			
10	limitation for children receiving fluoride varnish from non-dental providers from "through			
11	age 3" to "through age 5"; (ii) remove the current limitation on the number of times a			
12	dentist can bill the behavioral management code when treating adults with disabilities; (iii)			
13	provide payment for crowns for patients who received root canal therapy prior to			
14	becoming a Medicaid beneficiary; and (iv) provide reimbursement for pre-treatment			
15	evaluations performed by dentists treating patients requiring deep sedation or general			
16	anesthesia to mirror the Centers for Medicare and Medicaid Services (CMS) guidelines.			
17	The department shall have the authority to implement these changes consistent with the			
18	effective date in the State Plan amendment approved by CMS and prior to the completion			
19	of any regulatory process undertaken in order to effect such change.			
20	PPPP. Effective January 1, 2024, the Department of Medical Assistance Services shall			
21	have the authority to increase the rates for agency and consumer-directed personal care,			
22	respite and companion services by five percent. The department shall have the authority to			
23	implement these changes prior to completion of any regulatory process to effect such			
24	change.			
25	QQQQ. The Department of Medical Assistance Services shall amend its regulations and			
26	guidance on weight loss drugs to require service authorization for covered weight loss			
27	drugs to ensure appropriate utilization. The department shall have authority to implement			
28	these provisions prior to the completion of any regulatory process undertaken in order to			
29	effect such change.			
30	RRRR. Effective January 1, 2024, the Department of Medical Assistance Services shall			
31	have the authority to amend the State Plan under Title XIX of the Social Security Act to			
32	provide reimbursement for the provision of behavioral health services that are classified			
33	by a Current Procedural Terminology code as collaborative care management services.			
34	SSSS. Effective for dates of service on or after July 1, 2024, the Department of Medical			
35	Assistance Services shall update the reimbursement methodology for outpatient			
36	rehabilitation services to the Resource Based Relative Value Scale. Any changes to the			
37	reimbursement methodology shall be budget neutral. To ensure and maintain budget			
38	neutrality, a budget neutrality factor shall be applied to any rate calculations.			
39	TTTT.1. Effective July 1, 2024, pursuant to the authority granted in 42 USC 1396r-8			
40	Payment for Covered Outpatient Drugs, the Department of Medical Assistance Services			
41	shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to no			
42	longer cover weight loss medication when prescribed for weight loss except: (i) in those			
43	instances where an individual has a body mass index (BMI) greater than 40; (ii) in those			
44	instances where an individual has a BMI greater than 37 and has at least one of the			
45	following weight-related comorbid conditions: hypertension; Type II Diabetes Mellitus; or			
46	Dyslipidemia; or (iii) if it is a traditional weight loss medication prescribed for weight loss			
47	as FDA approved; excluding Glucagon-like peptide-1 drugs and any other newer weight			
48	loss medications. The department shall have the authority to promulgate emergency			
49	regulations to implement this amendment within 280 days or less from the enactment of			
50	this Act. The department shall have authority to implement this amendment upon federal			
51	approval and prior to the completion of any regulatory process undertaken in order to			
52	effect such change.			
53	TTTT.2. Effective July 1, 2025, pursuant to the authority granted in 42 USC 1396r-8			
54	Payment for Covered Outpatient Drugs, the Department of Medical Assistance Services			
55	shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to cover			
56	weight loss medication when prescribed for weight loss (i) in those instances where an			

I veto Item 288. TTTT. 1
TTTT. 2 on pages
365-366

ITEM 288.

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

Appropriations(\$)	
First Year	Second Year
FY2025	FY2026

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

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

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

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

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

I veto HCM 288.
TTT. 1 - TTT. 2
on pages 365-366

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5-2-25

ITEM 288.		Item Details(\$)		Appropriations(\$)	
		First Year	Second Year	First Year	Second Year
		FY2025	FY2026	FY2025	FY2026

1 2. DMAS shall have the authority to seek necessary federal approval for state plan
 2 amendments and changes to the preprint to the Centers for Medicare and Medicaid Services
 3 to effectuate the provisions of paragraph OOOOO.1.

4 RRRRR. The Department of Medical Assistance Services shall have the authority to amend
 5 the State Plan for Medical Assistance to make supplemental payments through an adjustment
 6 to the formula for indirect medical education (IME) reimbursement, using managed care
 7 discharge days, not to exceed \$30,000,000 total computable for teaching hospitals affiliated
 8 with Virginia Tech Carilion School of Medicine. The public entity shall transfer the non-
 9 federal share of the authorized supplemental payments. The funds to be transferred must
 10 comply with 42 CFR 433.51 and 433.54. Such funds may not be paid from any private
 11 agreements with Virginia Tech Carilion School of Medicine that are in excess of fair market
 12 value or that alleviate pre-existing financial burdens of the school. The Virginia Tech
 13 Carilion School of Medicine is authorized to use general fund dollars to accomplish this
 14 transfer. The Virginia Tech Carilion School of Medicine would enter into an Interagency
 15 Agreement with the department for this purpose and must attest to compliance with applicable
 16 CMS criteria. The department shall have the authority to implement these changes prior to
 17 completion of any regulatory process undertaken in order to effect such change.

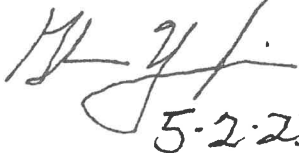
18 SSSSS. The Department of Medical Assistance Services shall seek the appropriate waiver
 19 authority for a demonstration project to add neurobehavioral and neurorehabilitation
 20 facilities to support 20 individuals with traumatic brain injuries and neurocognitive disorders
 21 by January 1, 2026. The neurobehavioral and neurorehabilitation facilities shall be
 22 considered as a specialized institutional placement for individuals with a traumatic brain
 23 injury diagnosis. The department shall set service definitions, administrative structure,
 24 eligibility criteria, eligibility and enrollment processes, and reimbursement rates required for
 25 administration of a program for such facilities. The department shall have authority to
 26 implement these changes prior to the completion of any regulatory process undertaken in
 27 order to effect such change.

28 TTTTT. The Department of Medical Assistance Services (DMAS) is authorized to reimburse at
 29 the applicable Indian Health Services (IHS) outpatient all-inclusive rate published annually
 30 in the Federal Register for clinic services or federally qualified health center (FQHC)
 31 services provided to Medicaid-eligible American Indians and Alaska Natives (AI/AN) by
 32 facilities operated by Tribal Health Clinics and tribal FQHCs funded by Title I or V of the
 33 Indian Self Determination and Education Assistance Act, also known as Tribal 638 facilities,
 34 provided such payments are eligible for reimbursement at a federal medical assistance
 35 percentage (FMAP) of 100 percent. Any services provided by IHS or Tribal 638 facilities that
 36 are not eligible for reimbursement at a 100 percent FMAP shall be reimbursed at standard
 37 Medicaid rates (the rates otherwise paid to non-tribal facilities for the same services) and not
 38 at the IHS outpatient all-inclusive rate. DMAS is authorized to make any necessary managed
 39 care contract changes and seek all necessary federal authority through state plan or waiver
 40 amendments submitted to the Centers for Medicare and Medicaid Services under Titles XIX
 41 and XXI of the Social Security Act to implement the provisions of this paragraph. The
 42 department shall implement this reimbursement change consistent with the effective date of
 43 the appropriate federal authority, and prior to the completion of any regulatory process. If
 44 the above rate structure is not approved by the Centers for Medicare and Medicaid Services,
 45 then DMAS shall seek approval to reimburse IHS facilities, tribal clinics and tribal FQHCs at
 46 the standard Medicaid rate for all services.

47 UUUUU. Effective July 1, 2025, the Department of Medical Assistance services shall
 48 increase the rates by 6.5 percent for Office Based Addiction Treatment, Opioid Treatment
 49 Services, Partial Hospitalization Services, and Intensive Outpatient Services.

50 VVVVV. Effective July 1, 2025, the department shall modify nursing facility direct care base
 51 rates by redetermining each of the regional peer group prices under the existing
 52 methodology, except by using the cost of the relevant facility with the 59th percentile day in
 53 place of the cost of the currently mandated facility with the 50th percentile day, or "day-
 54 weighted median," cost. This shall be applied using the rebasing model implemented for fiscal
 55 year 2025 rates, with resulting direct care rates adjusted for this change and inflated to fiscal
 56 year 2026 per existing policy. This methodology change shall be maintained until the next
 57 rebasing. The department shall have the authority to implement these changes upon federal
 58 approval and prior to the completion of any regulatory process.

I veto Item 288. VVVVV
 On DAAB 370 *[Signature]* 5.7.25

ITEM 296.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	used to establish contracts to support the diversion and discharge into private settings of			
2	individuals with a diagnosis of dementia.			
3	3. Of the amounts in M.I., \$727,000 the first year and \$727,000 the second year shall be			
4	used for mobile crisis program targeted for individuals with a diagnosis of dementia.			
5	N. Out of this appropriation, \$1,650,000 the first year and \$1,650,000 \$2,650,000 the		I veto Item 296.N on page 393  5-2-25	
6	second year from the general fund is provided for pilot programs for individuals with			
7	dementia or geriatric individuals who may otherwise be admitted to a state facility.			
8	O. Out of this appropriation, \$7,535,122 the first year and \$7,535,122 the second year			
9	from the general fund is provided to divert admissions from state hospitals by purchasing			
10	acute inpatient or community-based psychiatric services at private facilities. This funding			
11	shall be allocated to Community Services Boards and a Behavioral Health Authority for			
12	such purpose in an efficient and effective manner so as not to disrupt local service			
13	contracts and to allow for expeditious reallocation of unspent funding between			
14	Community Services Boards and a Behavioral Health Authority.			
15	P.1. Out of this appropriation, \$13,500,000 the first year and \$13,500,000 the second year			
16	from the general fund is provided for the Department of Behavioral Health and			
17	Developmental Services (DBHDS) to pursue alternative inpatient options to state			
18	behavioral health hospital care or to increase capacity in the community for patients on the			
19	Extraordinary Barriers List through projects that will reduce census pressures on state			
20	hospitals. Proposals shall be evaluated on: (i) the expected impact on state hospital bed			
21	use, including the impact on the extraordinary barrier list; (ii) the speed by which the			
22	project can become operational; (iii) the start-up and ongoing costs of the project; (iv) the			
23	sustainability of the project without the use of ongoing general funds; (v) the alignment			
24	between the project target population and the population currently being admitted to state			
25	hospitals; and (vi) the applicant's history of success in meeting the needs of the target			
26	population. No project shall be allocated more than \$2,500,000 each year. Projects may			
27	include public-private partnerships, to include contracts with private entities. The			
28	department shall give preference to projects that serve individuals who would otherwise			
29	be admitted to a state hospital operated by DBHDS, that can be rapidly implemented, and			
30	provide the best long-term outcomes for patients. Consideration may be given to regional			
31	projects addressing comprehensive psychiatric emergency services, complex medical and			
32	neuro-developmental needs of children and adolescents receiving inpatient behavioral			
33	health services, and addressing complex medical needs of adults receiving inpatient			
34	behavioral health services.			
35	2. Of the amounts in P.1., \$1,500,000 the first year and \$1,500,000 the second year may			
36	be utilized to pursue a pilot program to support the discharge of private hospital patients at			
37	risk of transfer to state mental health hospitals. The department shall prioritize assistance			
38	to patients who can be diverted from state hospital admission through discharge training,			
39	planning consultation, and/or one-time financial assistance. Financial assistance from this			
40	program shall only be provided as a method of last resort to assist in re-entry to the			
41	community.			
42	3. Of the amounts in P.1., \$5,000,000 the first year and \$5,000,000 the second year may			
43	be used to pursue alternative options to state behavioral health hospital care for patients			
44	designated as forensic who are admitted to, or at risk of admission to, state hospitals to			
45	reduce census pressures on state hospitals.			
46	4. Of the amounts in P.1., \$6,000,000 the first year and \$6,000,000 the second year shall			
47	be used for discharge assistance planning for individuals on the Extraordinary Barriers			
48	List to increase capacity in the community for such individuals. The department may, but			
49	is not limited to, pursue options such as placements in specialized group homes, assisted			
50	living facilities, and other models that provide support to an individual and stabilization in			
51	the community to help prevent rehospitalization.			
52	Q. The Department of Behavioral Health and Developmental Services is authorized to			
53	enter into a contract for use of up to eight beds of a 20-bed acute, inpatient psychiatric unit			
54	at Chesapeake Regional Healthcare for state purposes to increase diversion from state			
55	mental health hospitals. The department shall begin developing the contract after			
56	Chesapeake Regional Healthcare starts construction of the 20-bed acute, inpatient			

ITEM 314.

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

Appropriations(\$)	
First Year	Second Year
FY2025	FY2026

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

- 5 J. The Employment Services Organization Steering Committee (ESOSC), as established in
- 6 §51.5-169.2, Code of Virginia, shall report to and advise the Commissioner on policy,
- 7 funding, and the allocation of funds to employment services organizations (ESOs) for
- 8 Long Term Employment Support Services and Extended Employment Services pursuant
- 9 to § 51.5-169.1, Code of Virginia, as well as all other services of which ESOs are current
- 10 or proposed vendors.

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

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

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

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

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

- 30 2. Of this amount, \$1,830,000 the first year and \$1,830,000 the second year from the
- 31 general fund shall be used to provide a continuum of brain injury services to individuals in
- 32 unserved or underserved regions of the Commonwealth. Up to \$150,000 each year shall be
- 33 awarded to successful program applicants. Programs currently receiving more than
- 34 \$250,000 from the general fund each year are ineligible for additional assistance under
- 35 this section. To be determined eligible for a grant under this section, program applicants
- 36 shall submit plans to pursue non-state resources to complement the provision of general
- 37 fund support.

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

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

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

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

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

1 Veto HCM, 314, N. 1-
 N. 8
 On pages 407-408
 [Signature]
 5-2-25

ITEM 314.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	8. The Department for Aging and Rehabilitative Services (DARS) shall submit an annual			
2	report, by September 1 of each year, to the Chairmen of the Senate Finance and			
3	Appropriations and House Appropriations Committees documenting the number of			
4	individuals served, services provided, and success in attracting non-state resources.			
5	O.1. For Commonwealth Neurotrauma Initiative Trust Fund grants awarded after July 1,			
6	2004, the commissioner shall require applicants to submit a plan to achieve self-sufficiency			
7	by the end of the grant award cycle in order to receive funding consideration.			
8	2. Notwithstanding any other law to the contrary, the commissioner may reallocate up to			
9	\$500,000 from unexpended balances in the Commonwealth Neurotrauma Initiative Trust			
10	Fund to fund new grant awards for research on traumatic brain and spinal cord injuries.			
11	P. Out of this appropriation, \$446,618 the first year and \$446,618 the second year from the			
12	general fund shall be allocated to the Long-Term Rehabilitation Case Management Services			
13	Program.			
14	Q. Every county and city, either singly or in combination with another political subdivision,			
15	may establish a local disability services board to provide input to state agencies on service			
16	needs and priorities of persons with physical and sensory disabilities, to provide information			
17	and resource referral to local governments regarding the Americans with Disabilities Act, and			
18	to provide such other assistance and advice to local governments as may be requested.			
19	315.		\$40,439,449	\$40,439,449
20	Individual Care Services (45500).....		\$41,739,449	\$41,989,449
21	Financial Assistance for Local Services to the			
22	Elderly (45504).....	\$32,782,787	\$32,782,787	
23		\$34,082,787	\$34,332,787	
24	Rights and Protection for the Elderly (45506).....	\$7,656,662	\$7,656,662	
25	Fund Sources: General.....	\$20,653,634	\$20,653,634	
26		\$21,953,634	\$22,203,634	
27	Special.....	\$90,000	\$90,000	
28	Dedicated Special Revenue.....	\$200,000	\$200,000	
29	Federal Trust.....	\$19,495,815	\$19,495,815	
30	Authority: Title 51.5, Chapter 14, Code of Virginia.			
31	A. Out of this appropriation, \$456,209 the first year and \$456,209 the second year from the			
32	general fund shall be provided to continue a statewide Respite Care Initiative program for the			
33	elderly and persons suffering from Alzheimer's Disease.			
34	B.1. Out of this appropriation, \$3,785,000 the first year and \$3,785,000 the second year from			
35	the general fund shall be provided to support local and regional programs of the Virginia			
36	Public Guardian and Conservator Program. This funding is estimated to provide 757 client			
37	slots the first year and 757 client slots the second year for unrestricted guardianship services.			
38	2. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the			
39	general fund shall be used to provide services through the Virginia Public Guardian and			
40	Conservator Program for individuals with mental illness or intellectual disability (ID). This			
41	funding is estimated to provide 40 client slots the first year and 40 client slots the second year			
42	for guardianship services for individuals with mental illness or intellectual disabilities.			
43	3. Out of this appropriation, \$2,270,000 the first year and \$2,270,000 the second year from the			
44	general fund shall be used to provide services through the Virginia Public Guardian and			
45	Conservator Program for individuals with intellectual disabilities (ID) and developmental			
46	disabilities (DD). This funding shall be expended pursuant to an interagency agreement			
47	between the Department of Behavioral Health and Developmental Services (DBHDS) and the			
48	Department for Aging and Rehabilitative Services. This funding is estimated to provide 454			
49	client slots the first year and 454 client slots the second year for guardianship services for			
50	individuals with ID/DD, as authorized by DBHDS.			
51	4. Out of this appropriation, \$686,000 the first year and \$686,000 the second year from the			
52	general fund shall be used to provide services through the Virginia Public Guardian and			
53	Conservator Program for individuals with mental illness. This funding shall be expended			

ITEM 359.

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

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

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

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

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

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

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

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

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

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

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

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

ITEM 359.

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

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

I veto Item 359.R
 on page 447



5-2-25

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

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

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

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

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

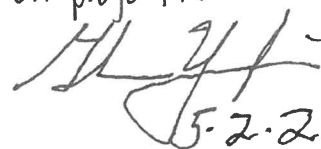
37 X.1. Notwithstanding § 10.1-2129 A., Code of Virginia, \$26,296,400 the first year from the
 38 general fund shall be deposited to the Virginia Water Quality Improvement Fund
 39 established under the Water Quality Improvement Act of 1997. Of this amount in the first
 40 year, \$8,905,800 is designated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

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

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

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

I veto Item 359.Y
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54 Z. Out of the appropriation in this item, \$500,000 the first year from the general fund shall

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

I veto Item 360.Q
on page 450
[Signature]
5-2-25

ITEM 363.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	J.1. Out of the amounts appropriated for this Item, \$1,100,000 the first year and			
2	\$1,100,000 the second year from the general fund is to be deposited in the Virginia			
3	Stormwater Management Fund.			
4	2. Notwithstanding § 62.1-44.15:28, as it is currently effective and as it shall become			
5	effective, Code of Virginia, the permit fee regulations adopted by the State Water Control			
6	Board pursuant to § 62.1-44.15:28, as it is currently effective and as it shall become			
7	effective, Code of Virginia, for the Virginia Pollutant Discharge Elimination System			
8	Permit for Discharges of Stormwater from Construction Activities and municipal separate			
9	storm sewer system permits shall be set at an amount representing no less than 60 percent,			
10	not to exceed 62 percent, of the direct costs for the administration, compliance and			
11	enforcement of Virginia Pollutant Discharge Elimination System Permit for Discharges of			
12	Stormwater from Construction Activities and municipal separate storm sewer system			
13	permits. To the extent practicable, the Board shall solicit input from affected stakeholders			
14	when establishing the new fee structure.			
15	3. Notwithstanding § 62.1-44.19:20, Code of Virginia, the application fee schedule			
16	adopted by the State Water Control Board pursuant to § 62.1-44.19:20, Code of Virginia,			
17	shall be set at an amount representing no less than 60 percent, not to exceed 62 percent, of			
18	the direct costs for the administration, compliance and enforcement of the nutrient credit			
19	certification program. To the extent practicable, the Board shall solicit input from affected			
20	stakeholders when establishing the new fee structure.			
21	K. The Director of the Department of Environmental Quality shall convene a working			
22	group for the purpose of developing an annual or project-based fee schedule for the review			
23	of erosion and sediment control plans related to solar energy project applications. The			
24	working group shall include representatives of (i) private-sector companies that own or			
25	operate solar energy facilities, (ii) local governments that permit solar facilities, and (iii)			
26	other stakeholders determined by the Department to be necessary to the development of			
27	the fee schedule.			
28	L. Out of the amounts in this item, \$750,000 the first year and \$750,000 the second year to			
29	establish a mitigation trading platform and wetland in-lieu fee mitigation program			
30	consistent with the provisions of § 62.1-44.15:23.1, Code of Virginia.			
31	M. Out of the amounts in this item, \$150,000 the first year from the general fund is			
32	provided for the department, in collaboration with Virginia Polytechnic and State			
33	University and the Smith Mountain Lake Association, to conduct a study of the harmful			
34	algal blooms occurring at Smith Mountain Lake. The research shall include evaluation of			
35	conditions that have led to the appearance of harmful algal blooms and include			
36	recommendations for prevention of further occurrences.			
37	<i>N. Out of the amounts in this item, \$500,000 the first year from the general fund is</i>			
38	<i>provided to support United States Geological Survey monitoring of harmful algal blooms</i>			
39	<i>in the Shenandoah River. Any funds remaining at the end of the fiscal year shall</i>			
40	<i>carryforward for the same purpose.</i>			
41	<i>O. Out of the amounts in this item, \$250,000 the first year from the general fund is</i>			
42	<i>provided for the department, in coordination with the Division of Consolidated</i>			
43	<i>Laboratory Services, to provide testing of inland waterways in the Commonwealth for the</i>			
44	<i>presence of harmful algal blooms, which may include enumeration of cyanobacteria and</i>			
45	<i>associated toxicity analyses. Any funds in this paragraph remaining at the end of the fiscal</i>			
46	<i>year shall be carried forward and reappropriated for the same purpose.</i>			
47	<i>P. Out of the amounts in this item, \$2,300,000 the first year from the general fund is</i>			
48	<i>provided for groundwater research in the Eastern Groundwater Management Area. The</i>			
49	<i>appropriation shall be distributed as follows: \$2,000,000 for the department to install five</i>			
50	<i>additional multi-well research stations to gather additional data to study the upper</i>			
51	<i>portions of the Eastern Groundwater Management Area; and \$300,000 for the department</i>			
52	<i>to conduct a study, in coordination with Virginia Polytechnic Institute and State</i>			
53	<i>University, to determine technically feasible locations within the Eastern Groundwater</i>			
54	<i>Management Area to recommend water treatment upgrades for Virginia municipal water</i>			
55	<i>systems modeled on the Hampton Roads Sanitation District SWIFT project and the cost of</i>			

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

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

ITEM 394.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	evaluate programs, services and facilities established pursuant to the Comprehensive			
2	Community Corrections Act for Local-Responsible Offenders (§§ 9.1-173 through 9.1-183			
3	Code of Virginia) and the Pretrial Services Act (§§ 19.2-152.2 through 19.2-152.7, Code of			
4	Virginia). Out of these amounts, the Director, Department of Criminal Justice Services, is			
5	authorized to expend no more than five percent per year for state administration of these			
6	programs.			
7	2. The Department of Criminal Justice Services, in conjunction with the Office of the			
8	Executive Secretary of the Supreme Court and the Virginia Criminal Sentencing Commission,			
9	shall conduct information and training sessions for judges and other judicial officials on the			
10	programs, services and facilities available through the Pretrial Services Act and the			
11	Comprehensive Community Corrections Act for Local-Responsible Offenders.			
12	3. Out of this appropriation, \$94,750 the first year and \$94,750 the second year from the			
13	general fund is provided for the expansion of pretrial services to the Counties of Botetourt and			
14	Alleghany.			
15	D.1. Out of this appropriation, \$225,000 the first year and \$225,000 the second year from the			
16	general fund is provided for Comprehensive Community Corrections and Pretrial Services			
17	Programs for localities that belong to the Central Virginia Regional Jail Authority. These			
18	amounts are seventy-five percent of the costs projected in the community-based corrections			
19	plan submitted by the Authority. The localities shall provide the remaining twenty-five			
20	percent as a condition of receiving these funds.			
21	2. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the			
22	general fund is provided for Comprehensive Community Corrections and Pretrial Services			
23	Programs for localities that belong to the Southwest Virginia Regional Jail Authority. These			
24	amounts are seventy-five percent of the costs projected in the community-based corrections			
25	plan submitted by the Authority. The localities shall provide the remaining twenty-five			
26	percent as a condition of receiving these funds.			
27	E. In the event the federal government should make available additional funds pursuant to the			
28	Violence Against Women Act, the department shall set aside 33 percent of such funds for			
29	competitive grants to programs providing services to domestic violence and sexual assault			
30	victims.			
31	F.1. Out of this appropriation, \$23,116,049 the first year and \$20,362,525 the second year			
32	from the general fund and \$1,710,000 the first year and \$1,710,000 the second year from such			
33	federal funds as are available shall be deposited to the School Resource Officer Incentive			
34	Grants Fund established pursuant to § 9.1-110. Code of Virginia.			
35	2.a. The Director, Department of Criminal Justice Services, is authorized to expend \$410,877			
36	the first year and \$410,877 the second year from the School Resource Officer Incentive			
37	Grants Fund to operate the Virginia Center for School Safety, pursuant to § 9.1-110, Code of			
38	Virginia.			
39	b. The Center for School Safety shall provide a grant of \$100,000 in the first year and			
40	\$100,000 \$130,000 in the second year to the York County-Poquoson Sheriff's Office for the			
41	statewide administration of the Drug Abuse Resistance Education (DARE) program.			
42	c. The Director, Department of Criminal Justice Services, is authorized to establish a digital			
43	mapping program for Virginia public universities and community colleges, in addition to the			
44	existing digital mapping program for local school divisions, which may provide grants to			
45	public universities, two-year colleges, and community colleges to support technology that			
46	provides visual communication and collaboration tools to coordinate emergency response,			
47	such as floor plans that are available on cell phones and enhanced communication during an			
48	emergency. <i>Out of nongeneral fund cash balances in the School Resource Officer Incentive</i>			
49	<i>Grants Fund, up to \$6,200,000 the second year, dependent on grant applications, is</i>			
50	<i>designated for this purpose.</i>			
51	3. Subject to the development of criteria for the distribution of grants from the fund, including			
52	procedures for the application process and the determination of the actual amount of any grant			
53	issued by the department, the department shall award grants to either local law-enforcement			
54	agencies, where such local law-enforcement agencies and local school boards have			

1 Veto Item 394 F on pages 482-483
 11 9/12 E-7-75

ITEM 394.	Item Details(\$)	Appropriations(\$)	
		First Year FY2025	Second Year FY2026

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

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

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

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

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

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

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

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

53 c. Out of the amounts appropriated for this item, ~~\$9,000,000~~ \$9,350,000 the first year and
 54 ~~\$9,000,000~~ \$9,500,000 the second year from the general fund shall be deposited into the
 55 Firearm Violence Intervention and Prevention Fund. At least \$1,500,000 each year shall be

1 Veto Item 394. N on pages 484-486
[Signature] 5-2-25

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

ITEM 394.

Item Details(\$)
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provided to localities with disproportionate firearm-related homicides to support crime intervention and prevention through community engagement, including youth programs, to include (i) at least \$500,000 the first year for the City of Portsmouth; (ii) and at least \$1,000,000 the first year for the City of Norfolk; (iii) \$350,000 the first year to the City of Newport News to support the VICTOR Program; and (iv) \$2,000,000 the second year for the City of Chesapeake, including up to \$250,000 for allowable equipment associated with a Real Time Crime Information Center. Amounts for both VICTOR and the City of Chesapeake are designated as one-time.

2.a. There is hereby created in the state treasury a special nonreverting fund to be known as the Operation Ceasefire Grant Fund (the Fund) and managed by the Department. The Fund shall be established on the books of the Comptroller. All moneys appropriated by the General Assembly for the Fund, and from any other sources, public or private, shall be paid into the state treasury and be credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request of the Director of the Department.

b. Moneys in the Fund shall be used solely for the purposes of implementing violent crime reduction strategies, providing training for law-enforcement officers and prosecutors, providing forensic and related analytical equipment for law-enforcement agencies, and awarding grants to organizations such as local law-enforcement agencies, local attorneys for the Commonwealth, localities, social services providers, and nonprofit organizations that are engaged in group violence intervention efforts. No grants awarded shall be given to state agencies or offices. For the purposes of subsection N.2. of this item, "group violence intervention" means comprehensive law enforcement, prosecutorial, and community-based initiatives, substantially similar to Operation Ceasefire as implemented in Boston, Massachusetts and the Gang Reduction Programs implemented in Richmond and Los Angeles, California, which are documented by the Department of Justice and are carried out between members of law enforcement, members of the community, and social services providers. The Department shall establish an application process for awarding grants from the Fund, including criteria and procedures for determining the amount of a grant. Out of the amounts appropriated for this item, \$10,000,000 the first year and \$10,000,000 the second year from the general fund shall be deposited into the Operation Ceasefire Grant Fund.

3. Out of the amounts in section N of this item, the Director, Department of Criminal Justice Services, is authorized to expend no more than three percent per year for state administration of these programs.

4.a. Out of the amounts appropriated for this item, \$14,000,000 the first year and ~~\$4,000,000~~ \$19,000,000 the second year from the general fund is provided for the Safer Communities Program to support holistic, community-based strategies that address the root causes and conditions of community violence. Such strategies shall be evidence-informed and/or community-driven and shall include: (i) afterschool programs and mentorships; (ii) connections to education and economic opportunities; (iii) trauma-informed mental health care; (iv) credible messengers and violence interrupters; and (v) strategies to build trust between law enforcement agencies and community stakeholders. Out of this amount, (i) at least \$13,000,000 the first year and at least \$13,000,000 the second year shall be provided to the City of Norfolk, the City of Portsmouth, the City of Roanoke, and the City of Richmond, with a minimum award of \$2,500,000 per locality and the remainder allocated to each of the four localities based on population; and (ii) \$5,000,000 the second year shall be provided to the City of Hampton and the City of Newport News, with a minimum award of \$2,500,000 per locality. Recipient localities shall (i) use grant funds to employ a full-time position dedicated to planning, implementation, and coordination of community violence reduction strategies, including utilizing existing violence reduction grants and pursuing additional grant opportunities, and (ii) provide quarterly reports to the Department detailing expenditures to date to ensure alignment with the requirements established in this paragraph. For the fiscal year 2026 grant awards, recipient localities: (i) shall not use funding for school resource or school safety officers; and (ii) shall prioritize support for community-led solutions.

ITEM 394.

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

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

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

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

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

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

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

ITEM 433.		Item Details(\$)		Appropriations(\$)		
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026	
1	F.1. Out of the amounts included in this item, \$60,200,000 \$136,900,000 the first year and					
2	\$84,500,000 the second year from the general fund are is provided for additional operating					
3	assistance for the Washington Metropolitan Area Transit Authority. The provisions of					
4	Virginia Code § 33.2-1526.1 (K) are temporarily suspended for fiscal years 2025 and					
5	2026. This section of Code shall resume in fiscal year 2027. This Code change provides a					
6	two-year suspension of the requirement that limits the annual Virginia operating assistance					
7	for the Washington Metropolitan Area Transit Authority to no more than three percent					
8	over the prior year's approved budget.					
9	2. The Washington Metropolitan Area Transit Authority shall complete a comparison of					
10	its total costs and overhead costs, defined as general administration and non-vehicle					
11	maintenance costs, against the cost of similar transit systems providing service in the cities					
12	of Boston, MA; Chicago, IL; New York, NY; Philadelphia, PA; San Francisco, CA; and					
13	Washington, DC, and submit this comparison to the Joint Subcommittee on Northern					
14	Virginia Public Transit.					
15	G. Notwithstanding § 33.2-1915, Code of Virginia, the Potomac and Rappahannock					
16	Transportation District Commission may enter into contracts or agreements with the					
17	counties, cities or towns, or planning districts that are within an adjacent planning district					
18	to provide commuter transit service between such counties, cities or towns, and					
19	Washington D.C. in the I-66 and US 29 corridors.					
20	<u>H. Out of this appropriation, \$200,000 the first year from the general fund shall be</u>					
21	<u>provided to Hampton Roads Transit for a one-time transit investment.</u>					
22	434. Not set out.					
23	435. Not set out.					
24	Total for Department of Rail and Public					
25	Transportation.....			\$1,023,348,276	\$1,059,772,629	
26				\$1,100,248,276	\$975,272,629	
27	Nongeneral Fund Positions.....	72.00	72.00			
28	Position Level.....	72.00	72.00			
29	Fund Sources: General.....	\$60,200,000	\$84,500,000			
30		\$137,100,000	\$0			
31	Special.....	\$2,139,844	\$2,139,844			
32	Commonwealth Transportation.....	\$801,608,432	\$813,732,785			
33	Dedicated Special Revenue.....	\$159,400,000	\$159,400,000			
34	§ 1-94. DEPARTMENT OF TRANSPORTATION (501)					
35	436. Environmental Monitoring and Evaluation (51400).			\$33,403,529	\$20,826,730	
36				\$21,336,888	\$34,001,781	
37	Environmental Monitoring and Compliance for					
38	Highway Projects (51408).....	\$11,995,970	\$12,220,422			
39		\$12,467,830	\$20,850,096			
40	Environmental Monitoring Program Management					
41	and Direction (51409).....	\$4,335,845	\$4,444,024			
42		\$4,606,181	\$4,762,749			
43	Municipal Separate Storm Sewer System (MS4)					
44	Compliance Activities (51410).....	\$17,071,714	\$4,162,284			
45		\$4,262,877	\$8,388,936			
46	Fund Sources: Commonwealth Transportation.....	\$33,403,529	\$20,826,730			
47		\$21,336,888	\$34,001,781			
48	437. Ground Transportation Planning and Research					
49	(60200).....			\$152,939,813	\$114,126,286	
50				\$153,528,798	\$112,587,022	
51	Ground Transportation System Planning (60201)....	\$133,053,472	\$93,818,012			
52		\$132,917,645	\$91,394,702			

I veto item 433.H.
on Page 513.
[Signature]
5-2-25

ITEM 437.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	Ground Transportation System Research (60202).....	\$15,083,335	\$15,390,991		
2		\$15,549,795	\$15,965,452		
3	Ground Transportation Program Management and				
4	Direction (60204).....	\$4,803,006	\$4,917,283		
5		\$5,061,358	\$5,226,868		
6	Fund Sources: <i>General</i>	\$250,000	\$0		
7	Commonwealth Transportation.....	\$152,939,813	\$114,126,286		
8		\$153,278,798	\$112,587,022		
9	Authority: Title 33.2, Code of Virginia.				
10	A. Included in the amount for ground transportation system planning and research is no less				
11	than \$7,050,000 the first year and no less than \$7,050,000 the second year from the highway				
12	share of the Transportation Trust Fund for the planning and evaluation of options to address				
13	transportation needs. Included in the amounts in this item, \$50,000 the first year and \$50,000				
14	the second year from the allocation for the Office of Intermodal Planning and Investment is				
15	provided for sponsorship of the annual Public Policy Day (formerly Mobility Talks				
16	International) at the Washington, DC Auto Show.				
17	B. Notwithstanding the provisions of Chapter 729 and Chapter 733 of the 2012 Acts of				
18	Assembly, the Commonwealth Transportation Board shall not reallocate any funds from				
19	projects on roadways controlled by any county that has withdrawn or elects to withdraw from				
20	the secondary system of state highways, nor from any roadway controlled by a city or town as				
21	part of the state's urban roadway system, based on a determination of nonconformity with the				
22	Commonwealth Transportation Board's Statewide Transportation Plan or the Six-Year				
23	Improvement Program. In jurisdictions that maintain roadways within their boundaries, the				
24	provisions of § 33.2-214, Code of Virginia, shall apply only to highways controlled by the				
25	Department of Transportation.				
26	C. The prioritization process developed under § 33.2-214.1, Code of Virginia, shall not apply				
27	to use of funds provided in this Item from the federal apportionments in the State Planning				
28	and Research Program.				
29	D. The Department of Transportation, with the assistance of the Virginia Institute for Marine				
30	Science, shall provide an annual update on the status of the Coastal Virginia Transportation				
31	Infrastructure Inundation Study no later than December 1 of each year to the Chairs of the				
32	House Appropriations and Senate Finance and Appropriations Committees, Chairs of the				
33	House and Senate Transportation Committees, Chair of the Joint Subcommittee on Coastal				
34	Flooding and Adaptation, and the Secretaries of Transportation and Natural Resources. The				
35	report shall include at a minimum: an up-to-date identification of at-risk rural, suburban and				
36	urban infrastructure, and planning and options to mitigate or eliminate the identified risks; and				
37	a report on what work remains to be completed and estimated time frame for the completion				
38	of its work.				
39	<i>E. Out of this appropriation, \$250,000 the first year from the general fund is provided for the</i>				
40	<i>Department to complete a study of the impact of the development of the state's highway</i>				
41	<i>systems on African American communities. The study shall include spatial and health</i>				
42	<i>analyses, the effects of discriminatory practices, and recommendations for reparative actions</i>				
43	<i>and equitable infrastructure planning.</i>				
44	438. Highway Construction Programs (60300).....			\$3,999,337,848	\$3,599,507,188
45				\$4,230,381,124	\$2,937,456,869
46	Highway Construction Program Management				
47	(60315).....	\$60,304,093	\$61,760,315		
48		\$63,496,415	\$68,514,378		
49	Virginia Highway Safety Improvement Program				
50	(60317).....	\$118,307,520	\$138,192,947		
51		\$96,231,314	\$102,360,395		
52	Interstate Operations and Enhancement Program				
53	(60318).....	\$301,465,670	\$608,663,750		
54		\$522,645,954	\$262,661,281		
55	State of Good Repair Program (60320).....	\$390,184,341	\$449,840,621		
56		\$332,166,571	\$351,861,387		
57	High Priority Projects Program (60321).....	\$279,166,528	\$318,937,383		
58		\$209,856,632	\$232,272,276		

I veto item 437.E.
on page 514.

[Handwritten signature]
5-2-25

ITEM 471.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	Planning and Budget shall transfer the funds to the appropriate agency or fund:			
2	<i>J.1. There is hereby created in the state treasury a special nonreverting fund to be known</i>			
3	<i>as the Mass Violence Care Fund (the Fund). The Fund shall be established on the books</i>			
4	<i>of the Comptroller. All moneys accruing to the Fund, including funds appropriated for</i>			
5	<i>such purpose and any gifts, donations, grants, bequests, and other funds received on its</i>			
6	<i>behalf, shall be paid into the state treasury and credited to the Fund. Interest earned on</i>			
7	<i>moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining</i>			
8	<i>in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the</i>			
9	<i>general fund but shall remain in the Fund. Moneys in the Fund shall be used for the</i>			
10	<i>purpose of supporting out-of-pocket health expenses for victims of mass violence.</i>			
11	2 The Director, Department of Planning and Budget, shall transfer the balances of the			
12	funds originally provided for victims of mass violence pursuant to Item 485, Chapter 1,			
13	2023 Acts of Assembly, Special Session 1.			
14	3. Amounts in the Mass Violence Care Fund shall not be transferred or expended unless			
15	and until the General Assembly has adopted a structure for administering the Fund.			
16	K.1. Notwithstanding the provisions of § 2.2-115, Code of Virginia, \$250,000 the first			
17	year shall be transferred from the amounts in Item 101, Paragraph A. of this act to the			
18	Virginia Employment Commission on or before July 15, 2024, for the purpose of updating			
19	the November 2021 Paid and Family Medical Leave study.			
20	2. The Virginia Employment Commission (the Commission), in collaboration with the			
21	Department of Human Resource Management, the Compensation Board, the Virginia			
22	Department of Education, and the Department of Planning and Budget, shall update its			
23	November 2021 Virginia Paid Family and Medical Leave study, as authorized by Item			
24	111 of Chapter 1289 of the Acts of Assembly of 2020, to include an assessment of the			
25	budgetary impacts of extending application of paid family and medical leave benefits as			
26	contemplated in Senate Bill 373 of the 2024 General Assembly to exempt individuals,			
27	while maintaining the benefits provided in § 2.2-1210 of the Code of Virginia for state			
28	employees. Such assessment shall also examine (i) the number of exempt individuals that			
29	would receive expanded family and medical leave benefits; (ii) the budgetary impact and			
30	salary impact associated with providing each type of benefit to each class of employee			
31	described in clause (i); and (iii) the budgetary impact on state direct aid to public			
32	education. The Commission shall submit the updated study to the Chairs of the House			
33	Committee on Appropriations and the Senate Committee on Finance and Appropriations			
34	on or before December 1, 2024.			
35	3. "Exempt individuals" for the purpose of this paragraph means a state employee, the			
36	treasurer, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit			
37	court, sheriff of any county or city, regional jail superintendent or regional jail officer, or			
38	local director of finance, or deputy or employee of any such officer, or an employee of a			
39	local school division.			
40	4. "State employee" means all persons employed by the Commonwealth or a public			
41	institution of higher education to provide services, including both salaried and wage			
42	employees, whether employed full time or part time.			
43	L. Out of the amounts in this item, \$10,000,000 the first year from the general fund shall			
44	be provided to establish the Virginia Clean Energy Innovation Bank to finance climate			
45	initiatives. Up to \$2,000,000 of these amounts may be used for administration.			
46	M. Out of this appropriation, the Governor is authorized to expend additional amounts as			
47	necessary to support costs associated with the Presidential Debate hosted by Virginia State			
48	University in October 2024.			
49	N.1. Included in this Item is \$1,312,898 the second year from the general fund to support			
50	the transition offices established as a result of the 2025 elections for Governor, Lieutenant			
51	Governor, and Attorney General. Out of this amount, \$1,149,898 shall be transferred,			
52	based on actual expenses, to the Department of General Services and \$163,000 to the			
53	Division of Executive Administrative Services for the provision of facilities, equipment,			
54	services, and supplies required to support the transition activity.			

I veto Item 471. L on
page 553
H. J. f.
5-2-25

ITEM 471.		Item Details(\$)		Appropriations(\$)	
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	2. The Commonwealth's financial support for the transition is to be allocated as follows:				
2	Office of the Governor: \$1,194,410				
3	Office of the Lieutenant Governor: \$69,327				
4	Office of the Attorney General: \$49,161				
5	O. Included in this Item is \$652,484 the second year from the general fund to be transferred,				
6	based on actual expenditures, to the Department of General Services to support anticipated				
7	costs for the inauguration in January 2026.				
8	P. On or before June 30, 2025, the Director, Department of Planning and Budget, shall				
9	authorize the reversion to the general fund of \$994,429 from the surplus balances of this				
10	program.				
11	472. Not set out.				
12	473. Educational and General Programs (10000).....			\$28,930,454	\$28,930,454
13	Higher Education Instruction (10001).....	\$28,930,454	\$28,930,454		
14	Fund Sources: General.....	\$28,930,454	\$28,930,454		
15	A. Out of this appropriation, \$28,930,454 the first year and \$28,930,454 the second year from				
16	the general fund is designated for the Tech Talent Investment Fund. These funds shall be				
17	allocated in accordance with provisions established in §23.1-1239 through §23.1-1243, Code				
18	of Virginia, and shall be used to support the efforts of qualified institutions to increase by				
19	fiscal year 2039 the number of new eligible degrees by at least 25,000 more degrees than the				
20	number of such degrees awarded in 2018 and to improve the readiness of graduates to be				
21	employed in technology-related fields and fields that align with traded-sector growth				
22	opportunities identified by the Virginia Economic Development Partnership. Funds may be				
23	used to support admissions and advising programs designed to convey labor market				
24	information to students to guide decisions to enroll in eligible degree programs and academic				
25	programs and to fund facility construction, renovation, and enhancement and equipment				
26	purchases related to the initiative to increase the number of eligible degrees awarded.				
27	B. Prior to an allocation from the Fund, institutions must enter into a Memorandum of				
28	Understanding (MOU) through a negotiation process between the institution and the				
29	Commonwealth. The MOU shall contain criteria for eligible degrees, eligible expenses, and				
30	degree production goals for a period ending in 2039. In addition, each institution shall (i)				
31	submit an enrollment plan detailing the number of eligible degrees produced between July 1,				
32	2013, and June 30, 2018; (ii) develop a detailed plan of how the institution proposes to				
33	materially increase the enrollment, retention, and graduation of students pursuing eligible				
34	degrees, the resources necessary to accomplish such increase in enrollment, retention, and				
35	graduation, and plans to track new enrollment; (iii) provide an accounting of the anticipated				
36	number of in-state and out-of-state students enrolling in eligible degree programs; (iv)				
37	determine the existing capacity of current eligible degree programs; (v) propose plans to				
38	partner with other institutions to provide courses or programs that will lead to the completion				
39	of an eligible degree including articulation agreements with the Virginia Community College				
40	System to provide guaranteed admission for qualified students with an associate degree for				
41	transfer into an eligible degree program; (vi) allocate existing funds held by or appropriated to				
42	the institution to meet increased enrollment, retention, and graduation goals in eligible degree				
43	programs; and (vii) provide any other information deemed relevant.				
44	C. Failure of an institution to meet the goals, metrics, and requirements set forth in its				
45	memorandum of understanding shall result in the adjustment of any future allocations from				
46	the Fund to the institution to reflect such discrepancy.				
47	D. 1. Notwithstanding §23.1-1242 of the Code of Virginia, for the 2024-26 biennium				
48	eligibility for grant payments shall be determined by the requirements stipulated in each				
49	institution's MOU.				
50	2. Notwithstanding any other provision of law, Memorandum of Understanding (MOU) or				
51	provisions therein, funds awarded for the biennium shall be issued based on the amounts				
52	shown in the table below and shall not be reduced. The State Council of Higher Education for				
53	Virginia and the Virginia Economic Development Partnership, in consultation with staff				

1 veto Item 473 on pages 554-555
 H 9/1 5-7-25

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

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

I veto Item C-5 on page 579

[Signature]

5-2-25

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

I veto Item C-29.30 on page 585
Handwritten signature
 \$20,000,000
 3-2-25 \$0

ITEM C-31.		Item Details(\$)		Appropriations(\$)		
		First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026	
1	C-31.	Not set out.				
2	C-32.	Not set out.				
3	C-32.10	<i>Improvements: HVAC Improvements and</i>				
4		<i>Installations (18781).....</i>				\$25,000,000
5		<i>Fund Sources: General.....</i>				\$0
6		\$25,000,000	\$0			
7		<i>A. Out of this appropriation, \$25,000,000 the first year is provided for the department to</i>				
8		<i>conduct necessary improvements at Nottoway Correctional Center to install adequate</i>				
9		<i>heating, ventilation, and air conditioning.</i>				
10		<i>Total for Department of Corrections.....</i>				\$7,669,280
11						\$32,669,280
12		<i>Fund Sources: General.....</i>				\$0
13		\$25,000,000	\$0			
14		<i>Bond Proceeds.....</i>				\$0
15		\$7,669,280	\$0			
16		TOTAL FOR OFFICE OF PUBLIC SAFETY AND				
17		HOMELAND SECURITY.....				\$7,669,280
18						\$32,669,280
19		<i>Fund Sources: General.....</i>				\$0
20		\$25,000,000	\$0			
21		<i>Bond Proceeds.....</i>				\$0
22		\$7,669,280	\$0			
23		TOTAL FOR OFFICE OF PUBLIC SAFETY AND				
24		HOMELAND SECURITY.....				\$7,669,280
25						\$32,669,280
26		<i>Fund Sources: General.....</i>				\$0
27		\$25,000,000	\$0			
28		<i>Bond Proceeds.....</i>				\$0
29		\$7,669,280	\$0			
30						
31						
32						
33	C-35.	Not set out.				
34	C-36.	Not set out.				
35		§ 2-19. VIRGINIA PORT AUTHORITY (407)				
36	C-37.	Not set out.				
37	C-38.	Not set out.				
38	C-39.	Not set out.				
39	C-39.10	<i>Improvements: Capital Lease Amendment for the</i>				
40		<i>Virginia International Gateway Terminal (18782).....</i>				\$0
41		<i>Fund Sources: Special.....</i>				\$335,000,000
		\$0	\$335,000,000			

1 veto 586
 Item C-32.10 on page
 § 2-18. DEPARTMENT OF MOTOR VEHICLES (154)
 5-2-25

ITEM C-52.

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

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

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

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

9	C-52.10	<i>2025 Public Educational Institution Capital Account</i>			
10		<i>(18763).....</i>		<i>\$795,375,294</i>	<i>\$0</i>
11		<i>Fund Sources: General.....</i>	<i>\$626,043,774</i>	<i>\$0</i>	
12		<i>Higher Education Operating.....</i>	<i>\$144,800,000</i>	<i>\$0</i>	
13		<i>Bond Proceeds.....</i>	<i>\$24,531,520</i>	<i>\$0</i>	

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

	<i>Agency</i>	<i>Agency Title</i>	<i>Project Title</i>
20	<i>Code</i>		
21	204	<i>The College of William and</i>	<i>Replace Law School Central</i>
22		<i>Mary in Virginia</i>	<i>Utility Plant</i>
23	207	<i>University of Virginia</i>	<i>Construct Center for the Arts</i>
24			<i>(18602)</i>
25	208	<i>Virginia Polytechnic Institute</i>	<i>Expand Virginia Tech-Carilion</i>
26		<i>and State University</i>	<i>School of Medicine and Fralin</i>
27			<i>Biomedical Research Institute</i>
28			<i>(18682)</i>
29	212	<i>Virginia State University</i>	<i>Renovate Virginia Hall</i>
30			<i>(18757)</i>
31	214	<i>Longwood University</i>	<i>Replace Roof, Windows, and</i>
32			<i>External Doors Lankford Hall</i>
33	216	<i>James Madison University</i>	<i>Renovate Johnston Hall</i>
34			<i>(18758)</i>
35	236	<i>Virginia Commonwealth</i>	<i>Acquire Altria Building</i>
36		<i>University</i>	
37	260	<i>Virginia Community College</i>	<i>Renovate Amherst/Campbell</i>
38		<i>System</i>	<i>Hall, Central Virginia (18343)</i>
39	268	<i>Virginia Institute of Marine</i>	<i>Construct Marine Operations</i>
40		<i>Science</i>	<i>Administration Complex</i>
41			<i>(18746)</i>
42	885	<i>Institute for Advanced</i>	<i>Expand Center for</i>
43		<i>Learning and Research</i>	<i>Manufacturing Advancement</i>
44			<i>(18705)</i>
45			

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

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

ITEM C-52.10.

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

Appropriations(\$)
 First Year Second Year
 FY2025 FY2026

1 to the buildings' critical systems, envelope, and/or other core elements as needed for the
 2 buildings to be utilized by the institution in the long term as educational and general office
 3 support space.
 4 C. To execute the project titled "Acquire Altria Building," Virginia Commonwealth
 5 University (VCU) shall remit lease payments above the actual operating costs of the
 6 building to the general fund or shall reduce the general fund portion of the purchase price
 7 equal to the amount of such excess lease payments while VCU leases space in the building
 8 to Altria or any other entity not related to Virginia Commonwealth University or the
 9 Virginia Commonwealth University Health System Authority.

I VETO ITEM
 C-52.10 on
 PAGES 598 and 599
 [Handwritten signature]
 5-2-25

10 C-52.20 2025 State Agency Capital Account (18764)..... \$106,566,064 \$0

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

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

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

36 B. The scope and title of the Department of State Police project to Construct Division Six
 37 Headquarters (18326), as previously authorized in the fourth enactment clause of
 38 Chapters 759 and 769 of the 2016 Acts of Assembly and amended in Item C-66 of Chapter
 39 552 of the 2021 Acts of Assembly, Special Session I, is hereby changed to Acquire
 40 Division Six Headquarters.

41 C-53. Not set out.

42 C-53.50 Improvements: Wastewater Treatments Upgrades
 43 (18745)..... \$200,000,000 \$200,000,000
 44 \$231,164,700

45 Fund Sources: General..... \$0 \$0
 46 Bond Proceeds..... \$200,000,000 \$200,000,000
 47 \$231,164,700

48 A.1. Out of this appropriation, ~~\$200,000,000~~ \$231,164,700 the first year and
 49 \$200,000,000 the second year from nongeneral fund bond proceeds are authorized for
 50 transfer to the Department of Environmental Quality to make matching grants for Water
 51 Quality Improvement Fund eligible wastewater projects for Chesapeake Bay nutrient
 52 reductions authorized under Code of Virginia §§ 10.1-1186.01.F., 10.1-2131.C., and 62.1-

ITEM C-53.50.	Item Details(\$)		Appropriations(\$)	
	First Year FY2025	Second Year FY2026	First Year FY2025	Second Year FY2026
1	44.19:14.G.1.			
2	2. The Virginia Public Building Authority pursuant to § 2.2-2260 et seq., Code of Virginia, is		I VETO ITEM C-53.50 ON PAGES 599-600 /s/ Glenn Youngkin 3-24-2025	
3	hereby authorized to issue bonds in a principal amount not to exceed \$200,000,000			
4	\$231,164,700 the first year and \$200,000,000 the second year plus amounts needed to fund			
5	issuance costs, reserve funds, original issue discount, interest prior to and during the			
6	acquisition or construction and for one year after completion thereof, and other financing			
7	expenses, in accordance with § 2.2-2263, Code of Virginia, to be provided to the Department			
8	of Environmental Quality to make matching grants for Water Quality Improvement Fund			
9	eligible wastewater projects for Chesapeake Bay nutrient reduction authorized under Code of			
10	Virginia §§ 10.1-1186.01.F., 10.1-2131.C., and 62.1- 44.19:14.G.1.			
11	3. Debt service on the bonds issued under the authorization in this item shall be provided from			
12	appropriations to the Treasury Board.			

13	C-53.60	2020 VPBA Capital Construction Pool (18493).....	\$0	\$0
14		A. The scope of the capital project for the Virginia Museum of Fine Arts, titled, "Expand and		
15		Renovate Museum (18430)" authorized in Item C-67, Chapter 1289, 2020 Acts of Assembly,		
16		is hereby changed to: consolidate the proposed annex programs and associated square footage		
17		into the museum expansion/renovation; eliminate plans for new underground parking and		
18		replace associated square footage with additional museum and administrative support spaces;		
19		and provide food service support to the project as required by the program. There shall be no		
20		change to the size of the project as previously approved.		
21		<i>B.1. The scope and title of the Department of General Services project to "Provide water</i>		
22		<i>infrastructure to state facilities in Nottoway County, Virginia" (194-18516), as previously</i>		
23		<i>authorized in Item C-67 of Chapter 1289 of the 2020 Acts of Assembly, and amended in Item</i>		
24		<i>C-78 of Chapter 1 of the 2023 Acts of Assembly, Special Session 1, is hereby amended and</i>		
25		<i>changed to "Replace water transmission line to state facilities in Nottoway County, Virginia</i>		
26		<i>(194-18516)". The scope of the project shall be to replace the main water transmission line</i>		
27		<i>and to explore increasing water capacity via wells to support the water needs of Piedmont</i>		
28		<i>Geriatric Hospital, the Virginia Center for Behavioral Rehabilitation (Phases 1 and 2), and</i>		
29		<i>Nottoway Correctional Center. The Department shall proceed expeditiously to satisfy the</i>		
30		<i>scope of the project as described.</i>		
31		2. Funds appropriated to the 2022 Capital Supplement Pool in Item C-49 of this act and		
32		remaining from previous appropriation to the 2022 Capital Supplement Pool shall be used to		
33		support the cost of this project if needed beyond amounts originally assumed and available		
34		from the 2020 VPBA Capital Construction Pool to execute the project as described in		
35		paragraph B.1. of this item.		
36		3. The Department is authorized to construct, provide, and improve infrastructure as		
37		necessary to implement the project, to acquire by purchase, gift, or power of eminent domain		
38		such lands, structures, rights-of-way, franchises, easements, and other interests in lands of		
39		any person, association, partnership, corporation, railroad, public service, public utility,		
40		municipality or political subdivision, all without obtaining the consent or permission of any		
41		locality or public body. Condemnation proceedings authorized by the preceding sentence		
42		shall be conducted, at the option of the Department, under the provisions of Chapter 2 or		
43		Chapter 3 of Title 25.1 of the Virginia Code. The ownership, construction, and operation of		
44		the infrastructure shall not be subject to any state or local permitting requirements or similar		
45		ordinances or regulations. Upon completion of construction, the Department is authorized to		
46		transfer ownership and/or operation of all or any part of the property to one or more locality,		
47		which shall not require the consent or permission of any locality or public body. The exercise		
48		of the power of eminent domain for the purposes provided herein shall be and is declared to		
49		be a public use of such property.		
50		4. The Virginia Resources Authority (VRA) and the Department of Health (VDH) shall assist		
51		the Town of Crewe with exploring and evaluating funding options to upgrade, repair, or		
52		replace water infrastructure to increase water capacity, including but not limited to,		
53		identifying grants and revolving loans. Upon request, other state agencies shall provide		
54		assistance as needed to support this effort. No later than January 1, 2026, VRA and VDH		
55		shall provide information to the Chairs of House Appropriations and Senate Finance and		
56		Appropriations Committees on the funding options for additional infrastructure upgrades		

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

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

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

PART 4: GENERAL PROVISIONS

1
2 § 4-0.01. Not set out.

3 § 4-1.01. Not set out.

4 § 4-1.02 WITHHOLDING OF SPENDING AUTHORITY

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

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

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

16 c. Increased Nongeneral Fund Revenue:

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

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

32 d. Reduced General Fund Resources:

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

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

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

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

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

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

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

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

18 *3. Notwithstanding c) 2., if the requirements in subsection c) 1., are met on or after November 1 but before the date on which the*
 19 *Governor submits a budget bill in accordance with § 2.2-1509, the Governor shall not be required to submit a budget within 20*
 20 *business days but instead shall include the estimated fiscal impacts in the budget bill introduced in accordance with § 2.2-1509. If*
 21 *the requirements in subsection c) 2. are met on or after the date on which the Governor submits a budget bill in accordance with §*
 22 *2.2-1509 but before the adjournment of a regular session of the General Assembly in the following year, the Governor shall not be*
 23 *required to submit a budget within 20 business days.*

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

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

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

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

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

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

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

- 1 governing board.
- 2 c) The payments in fulfillment of any contract awarded for the design, construction and furnishing of any state building.
- 3 f) The salary of any state officer for whom the Constitution of Virginia prohibits a change in salary.
- 4 g) The salary of any officer or employee in the Executive Department by more than two percent (irrespective of the fund source
5 for payment of salaries and wages); however, the percentage of reduction shall be uniformly applied to all employees within the
6 Executive Department.
- 7 h) The appropriation supported by the State Bar Fund, as authorized by § 54.1-3913, Code of Virginia, unless the supporting
8 revenues for such appropriation are estimated to be insufficient to pay the appropriation.
- 9 7. The Governor is authorized to withhold specific allotments of appropriations by a uniform percentage, a graduated reduction
10 or on an individual basis, or apply a combination of these actions, in effecting the authorized reduction of expenditures, up to
11 the maximum of 15 percent, as prescribed in subdivision 6a of this subsection.
- 12 8. Each nongeneral fund appropriation shall be payable in full only to the extent the nongeneral fund revenues from which the
13 appropriation is payable are estimated to be sufficient. The Governor is authorized to reduce allotments of nongeneral fund
14 appropriations by the amount necessary to ensure that expenditures do not exceed the supporting revenues for such
15 appropriations; however, the Governor shall take no action to reduce allotments of appropriations for major nongeneral fund
16 sources on account of reduced revenues until such time as a formal written re-estimate of revenues for the current and next
17 biennium, prepared in accordance with the process specified in § 2.2-1503, Code of Virginia, has been reported to the
18 Chairmen of the Senate Finance and Appropriations, House Finance, and House Appropriations Committees. For purposes of
19 this subsection, major nongeneral fund sources are defined as Highway Maintenance and Operating Fund and Transportation
20 Trust Fund.
- 21 9. Notwithstanding any contrary provisions of law, the Governor is authorized to transfer to the general fund on June 30 of each
22 year of the biennium, or within 20 days from that date, any available unexpended balances in other funds in the state treasury,
23 subject to the following:
- 24 a) The Governor shall declare in writing to the Chairmen of the Senate Finance and Appropriations and House Appropriations
25 Committees that a fiscal emergency exists which warrants the transfer of nongeneral funds to the general fund and reports the
26 exact amount of such transfer within five calendar days of the transfer;
- 27 b) No such transfer may be made from retirement or other trust accounts, the State Bar Fund as authorized by § 54.1-3913,
28 Code of Virginia, debt service funds, or federal funds; and
- 29 c) The Governor shall include for informative purposes, in the first biennial budget he submits subsequent to the transfer, the
30 amount transferred from each account or fund and recommendations for restoring such amounts.
- 31 10. The Director, Department of Planning and Budget, shall make available via electronic means a report of spending authority
32 withheld under the provisions of this subsection to the Chairmen of the Senate Finance and Appropriations and House
33 Appropriations Committees within five calendar days of the action to withhold. Said report shall include the amount withheld
34 by agency and appropriation item.
- 35 11. If action to withhold allotments of appropriation under this provision is inadequate to eliminate the imbalance between
36 projected general fund resources and appropriations, the Speaker of the House of Delegates and the President pro tempore of
37 the Senate shall be advised in writing by the Governor, so that they may consider requesting a special session of the General
38 Assembly.
- 39 *e. Reduced Federal Grant Revenue:*
- 40 1. *Within 30 business days after the enactment of federal changes that impact federal grant revenue to the Commonwealth by at
41 least \$100 million in the fiscal year in which the federal changes occur or the succeeding fiscal year, whether by an Act of
42 Congress or by executive action, the Department of Planning and Budget shall provide the estimated fiscal impact from such
43 federal changes to the Governor and the Chairs of the Senate Finance and Appropriations and the House Appropriations
44 Committees.*
- 45 2. *Federal grants shall be payable in full only to the extent the nongeneral fund revenues from which the federal grant is
46 payable are estimated to be sufficient. The Governor is authorized to reduce allotments for the impacted federal grants by the
47 amount necessary to ensure that expenditures do not exceed the supporting revenues for such appropriation.*
- 48 3. *If federal grant reductions result in additional general fund expenditures being required (i.e. mandatory programs) that
49 exceed one percent of the general fund operating budget in the fiscal year in which the federal changes occur or the succeeding
50 fiscal year, the Governor shall consult with the leadership of the General Assembly regarding the need to call the General
51 Assembly into special session for budgetary purposes to respond to the impact from reductions in federal grant revenue.*

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

3 § 4-1.03. Not set out.

4 § 4-1.04. Not set out.

5 § 4-1.05. Not set out.

6 § 4-1.06. Not set out.

7 § 4-1.07. Not set out.

8 § 4-2.01. Not set out.

9 § 4-2.02. Not set out.

10 § 4-2.03. Not set out.

11 § 4-3.01. Not set out.

12 § 4-3.02. Not set out.

13 § 4-3.03. Not set out.

14 § 4-4.01. Not set out.

15 § 4-4.02. Not set out.

16 § 4-5.01. Not set out.

17 § 4-5.02. Not set out.

18 § 4-5.03. Not set out.

19 § 4-5.04. Not set out.

20 § 4-5.05. Not set out.

21 § 4-5.06. Not set out.

22 § 4-5.07. Not set out.

23 § 4-5.08 SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAMS

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

EXHIBIT 2 (Keeper of the Rolls' May 14, 2025 Letter)



COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND

G. PAUL NARDO
CLERK OF THE HOUSE OF DELEGATES AND
KEEPER OF THE ROLLS OF THE COMMONWEALTH

STATE CAPITOL
POST OFFICE BOX 406
RICHMOND, VIRGINIA 23218

May 14, 2025

The Honorable Glenn A. Youngkin
Governor of Virginia
Patrick Henry Building
1111 East Broad Street
Richmond, Virginia 23219

Dear Governor Youngkin:

In your communication of May 2, 2025, regarding amendments to the Chapter 2¹ state budget, you objected to 37 portions of HB 1600 (2025). I write to you in my capacity as Keeper of the Rolls of the Commonwealth regarding three of these gubernatorial actions: the purported vetoes of paragraph J of Item 75; paragraph TTTT of Item 288; and paragraph VVVVV of Item 288. Based upon legal advice, it is my opinion that the purported vetoes are not properly made upon items as required by Article V, Section 6 of the Constitution of Virginia. Therefore, it is my duty not to publish these purported vetoes for the reasons set forth herein.

Every veto of an item in an appropriation bill must conform to the requirements of Article V, Section 6 of the Constitution of Virginia.² The Supreme Court of Virginia in *Commonwealth v. Dodson* defined an item in an appropriation bill, for constitutional purposes, as an indivisible sum of money dedicated to a stated purpose which may be eliminated from the bill without affecting the enactment's other purposes or provisions.³ The subsequent refining of that constitutional interpretation by the Supreme Court of Virginia in *Brault v. Holleman*⁴ is dispositive in assessing the constitutionality of the aforementioned purported vetoes:

While the Governor is empowered to veto any particular item or items of an appropriation bill, he must, for his veto to be valid, strike down the whole of an item; he cannot disapprove part of an item and approve the remainder... Where a condition is attached to an appropriation, the condition must be observed. The Governor cannot veto the appropriation without also disapproving the condition; correspondingly, he cannot veto the condition without also disapproving the appropriation.

¹ Chapter 2 of the Acts of Assembly of 2024, Special Session I.

² "(d) The Governor shall have the power to veto any particular item or items of an appropriation bill, but the veto shall not affect the item or items to which he does not object. The item or items objected to shall not take effect except in the manner provided in this section for a bill vetoed by the Governor." Art. V, Sec. 6, Constitution of Virginia.

³ *Commonwealth v. Dodson*, 176 Va. 281, 296 (1940).

⁴ *Brault v. Holleman*, 217 Va. 441, 447 (1976).

Paragraph J of Item 75⁵ provides that no expenditure of funds appropriated for purposes of the administration of the State Health Plan shall be made for any payments to a vendor under the terms of any contingency fee-based contracts. Beginning the paragraph with "No expenditure of funds out of this item....," expresses a clear condition upon an appropriation to the Department of Human Resource Management. The purported veto of this language only, however, did not address the appropriation conditioned by such language. If allowed, this purported veto would permit spending for a purpose beyond what the legislature has authorized. Accordingly, pursuant to *Brault*, the veto is constitutionally invalid because a Governor "*cannot veto the condition without also disapproving the appropriation.*"⁶

The purported vetoes of Paragraphs TTTT of Item 288 and Paragraph VVVVV of Item 288 suffer from the same constitutional defect.

Item 288 in the budget provides an appropriation for the Department of Medical Assistance Services (DMAS) along with various directives, policies, guidelines, and conditions regarding the expenditure of that funding for Medicaid program services. You attempted to veto all of paragraph TTTT of Item 288, which was amended by the General Assembly during the 2025 Session to (i) provide Medicaid program coverage for weight loss medications under certain circumstances and (ii) strike conflicting language from Chapter 2. This purported veto of paragraph TTTT of Item 288 only addresses a condition on funds appropriated for Medicaid program services – that such funds be used, in part, for purposes of covering certain weight-loss medication under certain circumstances pursuant to the State Health Plan that shall be amended to account for such coverage effective July 1, 2025. Accordingly, by failing to capture the sum of money appropriated for Medicaid program services that is conditioned, at least in part, by the language in paragraph TTTT of Item 288, pursuant to *Brault*, the purported veto is constitutionally invalid because a Governor "*cannot veto the condition without also disapproving the appropriation.*"

That analysis also is instructive for reviewing the purported veto of paragraph VVVVV of Item 288, which directs DMAS to modify nursing facility direct care base rates by reference to a specific methodology. The language of paragraph VVVVV is not an item in the constitutional sense, but rather conditions DMAS funding for Medicaid program services on modifications to nursing facility direct care base rates using a methodology the legislature deems appropriate. Once again, by failing to capture the sum of money appropriated for Medicaid program services that is conditioned by the language in paragraph VVVVV of Item 288, pursuant to *Brault*, the purported veto is constitutionally invalid because a Governor "*cannot veto the condition without also disapproving the appropriation.*"

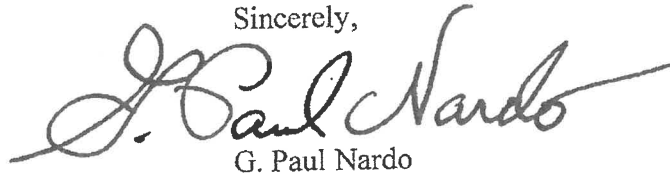
⁵ Paragraph J of Item 75 states: "J. No expenditure of funds out of this item shall be made to make any payments to a vendor pursuant to any contingency fee contract. The Department of Human Resource Management shall not contract with any vendor using a contingency fee payment model."

⁶ See *Brault* at 447.

The Honorable Glenn A. Youngkin
May 14, 2025
Page Three

For these reasons, each of these three purported vetoes are not in conformity with the requirements of Article V, Section 6 which restricts a Governor's veto authority within an appropriation bill to an entire item. Accordingly, I am duty-bound not to publish them.

Sincerely,

A handwritten signature in black ink that reads "G. Paul Nardo". The signature is written in a cursive style with a long horizontal flourish extending to the right.

G. Paul Nardo

cc: Members, Virginia General Assembly