

Key Features - Senate Bills 29 and 30 As Amended by Senate Finance (February 18, 2018)

Resources

- General fund resources total \$21.0 billion in FY 2019 and \$21.6 billion in FY 2020.
 - Extends current limitations on Historic Rehabilitation and Land Preservation Tax Credits.

Revenue Cash Reserve

- Provides \$45.0 million GF the first year and \$135.0 million GF the second year for the Cash Revenue Reserve. In addition to the \$156.4 million GF provided in FY 2018, as introduced, the total deposit to the Cash Revenue Reserve is \$336.4 million GF.
 - Specifies that it is the intent of the General Assembly to phase-in, over a four year period, the total deposits to the Cash Revenue Reserve, which through FY 2022, will total \$426.4 million GF.

Public Education

- Provides \$565.8 million over the biennium, above the levels in FY 2018 in SB 29 as amended.
 - Also provides \$5.0 million in FY 2019 for Extended Enrollment Loss Funding for 39 school divisions.

- Recommends \$7.1 million in FY 2020 in additional At-Risk Add-On funding, and allows it to be used for teacher recruitment programs and initiatives.
- Provides \$4.6 million each year to update the Virginia Preschool Initiative per pupil amount from \$6,125 to \$6,500, with a focus on research-based curriculum and professional development; and a series of other amendments related to early childhood, some as a result of the December 2017 report on *Improving Early Childhood Development Programs in Virginia*.
- Recommends \$2.0 million related to Career and Technical Education; \$1.5 million for teacher residency programs; \$600,000 to maintain social studies assessments; \$580,000 for research-based teacher training related to dyslexia; \$125,000 per year for a high school apprenticeship pilot program in Richmond City.
- Recommends \$1.0 million to automate the teacher licensure application and intake process in the Department of Education.

Higher Education

- Recommends \$22.8 million GF over the biennium for need-based undergraduate financial aid.
- Provides \$28.1 million GF over the biennium for base operations at ODU, EVMS, VMI, GMU, VCU, JMU, and RBC.
- Recommends \$16.0 million GF over the biennium for the Virginia Research Investment Fund (VRIF).
- Restores interest earnings and credit card rebates in the amount of \$13.1 million over the biennium to higher education institutions. The

retention of these funds are incentives that were provided as part of meeting performance measures under restructuring.

- Recommends \$4.0 million GF over the biennium for the New Economy Workforce Credential Grant Program.
- Includes \$1.6 million in additional funding for the tuition assistance grant (TAG) program.

Other Education

- Provides \$1.4 million GF over the biennium to Jamestown-Yorktown Foundation to maximize the 2019 commemorations programming.
- Provides \$1.2 million GF over the biennium to replace the Integrated Library System and Digital Asset Management System at the Library of Virginia.
- Provides \$750,000 GF over the biennium for additional aid to public libraries for summer reading programs and STEM materials.
- Provides \$250,000 GF additional support for the new Eastern Shore Library.
- Provides \$250,000 GF to the Virginia Commission for the Arts for additional grants to arts organizations.

Health and Human Resources

Medicaid Expansion

- Eliminates the authority for the expansion of Medicaid, restores funding to the programs where savings were reflected, eliminates the administrative funding provided, and eliminates the provider assessment on hospitals.
- Restores the \$421.7 million in general fund savings over the biennium that was reduced in the introduced budget as follows:
 - \$341.8 million in indigent care and other public program savings;
 - \$44.1 million for inmate inpatient hospital care;
 - \$41.6 million for community behavioral health services; and
 - Eliminates the \$5.9 million in general fund costs for local eligibility workers needed for expansion.
- Removes the \$2.9 billion in federal appropriation over the biennium.

Behavioral Health

- Total package from items adopted in the introduced plus committee amendments is \$73 million over the biennium.
- Provides \$15.6 million GF over the biennium to expand same day access at Community Services Boards and to begin phasing in primary care screening in the second year as part of the STEP-VA initiative.
- Adds \$15.1 million GF to implement behavioral health recommendations from the Joint Subcommittee to Study Mental

health Services in the Commonwealth in the 21st Century to include support for diversion programs, CIT training, discharge planning at local jails, a tele-mental health pilot, and a statewide alternate transportation for adults and children subject to a temporary detention order.

- Includes \$10 million GF over the biennium for medication assisted treatment.
- Adopts \$7.1 million GF over the biennium for transitional and permanent supportive housing.
- Provides \$5.6 million GF over the biennium for the operating costs of opening 56 new beds at Western State Hospital.

DOJ Settlement Agreement

- Adopts the \$45 million GF over the biennium for 825 waiver slots to comply with the DOJ Settlement Agreement.
- Includes \$4.7 million GF over the biennium for the rental assistance program.
- Adopts the \$27.6 million GF in savings over the biennium related to the closure plan for the training centers.

Other Health and Human Resources

- Provides \$40 million GF over the biennium for higher costs of the Children's Services Act mainly due to private day placements, and adopts \$250,000 GF to establish a rate methodology for such services.
- Includes \$14.4 million GF for the Department of Behavioral Health and Developmental Services and the Department of Health to develop an integrated statewide electronic health records for their facilities and departments.

Agriculture, Forestry and Natural Resources

- Includes a one-time deposit to the Water Quality Improvement Fund of \$22.5 million in FY 19 from the statutorily designated portion of revenues in excess of forecast and unrestricted agency balances from fiscal year 2017.
 - Establishes a dedicated source of funding for the WQIF Reserve Fund of more than \$2.5 million per year.
- Provides \$1.9 million over the biennium for the opening of the new Widewater and Seven Bends State Parks.

Economic Development

- Maintains funding of \$24.5 million for GO Virginia, and authorizes the GO Virginia Board to reallocate grant funding to rural regions if demand exceeds grant allocations.
- Provides \$6.4 million for a new custom workforce recruitment and training incentive program at the Virginia Economic Development Partnership.
- Invests \$4.0 million each year in the Virginia Telecommunication Initiative to support broadband investment in unserved areas of the Commonwealth.
- Invests an additional \$1.4 million in the Enterprise Zone program to incentivize investment and job creation in areas of high unemployment.
- Maintains \$5.5 million GF annual commitment to the Housing Trust Fund to support efforts to reduce homelessness and to create and preserve affordable housing in the Commonwealth.

Public Safety

- Recommends \$97.4 million NGF over the biennium for the Department of Alcoholic Beverage Control to: purchase inventory; convert 25 part-time positions to full-time; hire civilian enforcement technicians; staff new stores each year; acquire new point of sale and audit systems; and purchase new email and productivity software.
- Recommends \$32.3 million GF, in addition to the \$3.7 million NGF proposed in the introduced budget, for healthcare at the Department of Corrections, including additional staffing for Fluvanna Correctional Center for Women.
- Restores a proposed reduction of \$44.1 million GF at the Department of Corrections, which was assumed from the proposal to expand Medicaid.
- Recommends \$3.8 million GF over the biennium for opioid addiction treatment and treatment for serious mental illness at the Department of Corrections.
- Recommends \$13.1 million GF over the biennium to increase state aid to localities with police departments.
- Recommends \$3.0 million GF over the biennium for additional positions for controlled substances, digital and multimedia, and forensic biology scientists, at the Department of Forensic Science in order to address case backlogs and to finance the replacement of testing equipment across all sections at the Department.
- Recommends \$2.8 million GF over the biennium to increase the Department of State Police Special Operations Division by 10 troopers.

- Recommends replacement of two helicopters at the Department of State Police, through a combination of general fund support for debt service for the Master Equipment Lease Purchase program and nongeneral fund appropriation.

Transportation

- Includes a Line of Credit totaling \$10.5 million NGF for the provision of REAL ID compliant driver's license. The line of credit will be paid off by one-time \$10 surcharge levied on all drivers who elect to purchase a compliant driver's license.
- Includes \$20.0 million in VPBA debt proceeds for improvements to VDOT physical facilities (building improvements, etc.) to free up an equal amount of transportation funds to continue planning for the deepening of the Norfolk Harbor and Elizabeth River Channels.
- Eliminates a proposed bond authorization of \$110 million to support transit capital replacement programs.
- Eliminates proposed local taxes dedicated to Metro which are included in SB 856.
- Provides dedicated funding to match a US Army Corps of Engineers grant for assessing the changing channel at the Chincoteague Inlet.

Compensation and Benefits Actions

- Language directs the Governor to include in his next introduced budget, funding necessary to offset any downward revisions of the revenue forecast for FY 2019 and FY 2020, at an amount sufficient to provide a two percent raise for state employees, state supported local employees, and teachers, effective July 1, 2019.

- If it is determined that a revenue reforecast is not required, those funds shall be used exclusively for a full-year two percent raise for the aforementioned employee groups, in FY 2020.
- Includes \$33.7 million GF the first year and \$84.6 million GF the second year to reflect the increase in employer's share of premium rate increases due to projected growth in healthcare costs, enrollment updates and actual 2017 health insurance expenditures.
 - Also provides \$3.9 million GF the first year and \$10 million GF the second year to cover employees' share of premium rate increases in each year.

Technology

- Eliminates the Secretary of Technology.
- Provides an increase in the line of credit for the Virginia Information Technologies Agency from \$75.0 million to \$90.0 million in order to fund the unknown costs associated with the ongoing disentanglement of information technology commodity services provided through the Northrop Grumman partnership.
 - It is anticipated that the current phases of disentanglement, including legal services, is estimated to draw approximately \$40.0 million from the existing credit line by the close of the current fiscal year.

Capital Outlay

- Provides \$127.0 million the first year and \$125.0 million in the second year in bond proceeds for maintenance reserve (\$252.0 VCBA/VPBA bond proceeds over the biennium).

- FY 2018 contained \$98.9 million for maintenance reserve.
 - Most agencies will receive a slight increase based on square footage that would bring the \$98.9 million up to an allotment of \$100.0 million.
 - Higher education would receive a proposed increase of \$25.0 million in each year.
 - In FY 2019, there is a one-time proposed allotment for Fort Monroe of \$2.0 million.
- Recommends \$58.2 million in VCBA/VPBA bond proceeds for equipment for 13 previously approved capital outlay projects that will come on-line during the 2018-2020 biennium.
 - Recommends \$10.0 million GF over the biennium for additional detailed planning projects.
 - Provides \$282.4 million in bond proceeds over the biennium for infrastructure, renovation, and new construction projects as well as additional funding for the Stormwater Local Assistance Fund.
 - Proposes supplementing \$20.0 million in transportation funds in VDOT with \$20.0 million in VPBA bonds to support planning for dredging the Norfolk Harbor and Elizabeth River Channels.