

The Honorable Luke E. Torian, Chairman
Comments on the Committee Recommendations to House Bill 29 and 30
February 16, 2020

Good afternoon. Today we meet to consider amendments to House Bill 29, which is the current biennial budget, and to House Bill 30, which is the budget for the 2020-2022 biennium.

This has been a year of historic change. Both for the House, and for the Committee as I begin my first year as Chairman. A full majority of the Committee membership has changed, and all seven Subcommittee Chairs are new to their roles as well. I'd like to begin by expressing gratitude to all the Committee Members for stepping up to the plate, ensuring continuity, and developing a solid amendment package. You have worked diligently, and for this I am proud.

While much has changed, let me say from the start, one key principle remains the same – the Appropriations Committee strives to develop a fiscally responsible and structurally balanced budget to ensure we retain our triple “AAA” bond rating.

When I became Chairman last month, I set out 5 core priorities: enhancing our reserves, providing employee compensation increases for all groups of employees, ensuring college remains accessible and affordable for Virginia’s students, supporting the strategic investments the Governor proposed in public education, health and human resources and environmental protection, and finally, making progress for workforce equity in Virginia. I can confidently say that collectively, this Committee’s amendment package is the most progressive in Virginia’s history, and makes significant investments in these key priorities while maintaining fiscal responsibility.

We are blessed to start this budget from a good, stable financial position. I’m pleased to announce that in addition to the \$300 million dollars the Governor proposed to deposit into our reserve funds, the amendments before you today add an additional \$222 million – the equivalent of one percent of general fund revenues – for the inevitable rainy day. This will bring our combined reserve balances to almost \$2.2 billion, the most Virginia has had in reserve funds at any point in our history.

While we have worked to position ourselves for the future, this does not mean we have ignored the needs of today. In the area of public education the package before you provides \$1.4 billion in increased funding for pre-school and K-12, \$120 million above the introduced budget. Included in this amount is \$98 million for early

childhood education as well as almost \$300 million to provide teacher pay increases in both 2021 and 2022.

The amendments also provide \$76 million to address the cost of the minimum wage increase for state employees. The provisions of House Bill 395 increase the minimum wage to \$11.25 by fiscal year 2022. This is not an inexpensive endeavor, but since the minimum wage was first established in 1938, this is the longest period between increases ever. We can, and will, do more for our citizens than continue to allow them to work a fulltime job but receive only \$15,080 over the course of the year.

In the area of higher education, today's package builds on the significant investment and momentum begun last year, and includes \$112 million over the biennium to fully fund each institution's six-year plan while continuing to allow colleges to keep tuition at the FY 2020 levels into FY 2021. Just as importantly, we also provide supplemental funding to institutions that have had historically low levels of funding and student bodies with high financial need, namely George Mason, Old Dominion, and our public historically black colleges and universities.

Finally, health and human resources remains one of the most critical areas of need in the Commonwealth's budget. I have worked to redirect funding to that Subcommittee to ensure continued access to needed health care and disability services. Unfortunately, simply providing Medicaid Developmental Disability Waiver slots, does not guarantee services. This budget will focus on ensuring funding is available to support an adequate array of service providers who can assist individuals to reach their full potential. The Subcommittee is recommending more than \$125 million in rate increases to maintain and build community capacity and also provides additional resources to continue critical reform needs in the area of mental health.

The Committee's spending plan makes investments in areas that have been underfunded for years. It is our responsibility to ensure we are a Virginia that takes care of its citizens when they need help the most, while making investments to protect our children's futures. I believe the amendments before you today do this. So as to not steal the thunder from our individual subcommittee reports, I will leave the details to them. We will begin with Delegate Tyler, who will present the recommendations of the Compensation and General Government Subcommittee.