



**Recommended Amendments to the
2018-20 Budget (HB 29)
and to the
2021-2022 Budget (HB 30)**

**House Appropriations Committee
February 16, 2020**



Report of the Compensation and General Government Subcommittee

Total Funding for Employee Compensation

- Subcommittee recommendations, combined with the recommendations of the Elementary & Secondary Education subcommittee, provide \$499.9 million for employee compensation actions in HB 30
 - In addition to the funding shown below, funding is recommended by the Higher Education Subcommittee in the Tuition Moderation & Six-Year Plan Funding Pool to support compensation actions proposed for higher education

	FY 2021	FY 2022	Total
Central Appropriations For State Employees and State Supported Local	\$68.4	\$104.5	\$172.8
Funding for Teacher Salary Increase (DOE)	\$95.3	\$195.5	\$290.8
Targeted Salary Actions Within Agencies	<u>\$17.4</u>	<u>\$18.9</u>	<u>\$36.3</u>
Total	\$181.1	\$318.9	\$499.9

Compensation Package

- Subcommittee recommends state employees, including higher education university employees, receive:
 - Compression Adjustment in the first year of \$75 per year of service (must have 5 years of service and capped at 30 years)
 - Compression adjustments specifically help long-term employees with relatively low pay
 - 1% Salary increase for university faculty, judges and state supported local employees in lieu of compression adjustment
 - 1% bonus in the first year
 - 2% across the board increase in the second year
- Subcommittee recommends State Supported Local Employees receive:
 - 1% salary increase & 1% bonus in the first year
 - 2% salary increase in the second year

Compensation Package

- Subcommittee recommends sworn officers of the State Police will receive:
 - Compression adjustment of \$110 per year of service (must have 3 years of service) and a 2% across the board increase in the first year in lieu of first year bonus
 - 2% across the board increase in second year
 - Cost of \$16.8 million over the biennium
- Elementary & Secondary Education subcommittee recommendations include funding for the state share of a 2% pay raise each year
 - Additional \$145 million above HB 30 as introduced

Additional Targeted Salary Actions

These are above the amounts provided to all employees

	FY 2021	FY 2022	Total
Regional Jail Officers	\$2.7	\$2.9	\$5.6
Circuit Court Clerk Staff Positions	\$1.8	\$2.0	\$3.8
DOC Correctional Officers	\$6.8	\$7.9	\$14.7
Veteran's Services NOVA Differential	\$0.2	\$0.2	\$0.4
Local Department of Social Services Employees	\$5.6	\$5.6	\$11.2
Auditor of Public Accounts	\$0.3	\$0.3	\$0.6
Total	\$17.4	\$18.9	\$36.3

Address Unfunded Liability in the Retiree Health Credit Plans

- Subcommittee recommends \$3.9 million GF in FY 2021 and \$4.1 million GF in FY 2022 to increase contributions payments for the state employee retiree health credit which is currently funded at 10.8%
 - Recommendation would shorten amortization period for the legacy unfunded liability for the plan by 5 years (from 24 to 19 years)
 - Proposal increases the rate from 1.12% to 1.25%
- Elementary Education Subcommittee recommendations include \$4.9 million GF in FY 2021 and \$5.2 million in FY 2022 for the teacher plan, currently funded at 9.1%
 - Proposal increases the rate from 1.21% to 1.36%
- It is estimated that reducing the amortization period by 5 years will save the 2 programs a combined total of \$677 million over the life of the repayment period

Benefit Funding Recommendations

- Subcommittee recommends \$41.2 million GF in FY 2022 to fund the employers' share of a 6.7% increase in health insurance premiums for the State Employee Health Insurance Program
 - The subcommittee eliminated an increased included in introduced budget for FY 2021 based on high cash balance in the Health Insurance Fund
 - This saves employees on premium costs as well as saving the state
- Subcommittee recommendations include funding for legislation which passed the house
 - \$3.7 million GF in FY 2021 and \$7.4 million GF in FY 2022 for the impact on agencies and universities from the increase the minimum wage (HB 395)
 - \$78,715 GF each year for increased Line of Duty premiums pursuant to the passage of HB 169, HB 783 and HB 438
 - \$144,000 GF each year for retirement contributions pursuant to HB 1395
 - Elementary & Secondary Education subcommittee recommendations includes \$1.1 million GF the first year and \$1.0 million GF the second year pursuant to the passage of HB 1513 providing retiree health credit to school support staff at rate of \$1.50 per year of service

Executive Offices – GF Actions

Office of the Attorney General

- \$1.2 million GF over the biennium and 5 positions for the Division of Human Rights to implement legislation passed by the House including extending protections under the Virginia Human Rights Act
- \$597,174 GF over the biennium and 2 positions for legal services related to collective bargaining and preclearance of voting practices

Administration – GF Actions

Department of Elections

- HB 29: Central Appropriations provides \$5.9 million GF in FY 2020 to reimburse the Department of Elections and localities for presidential primary expenses
- HB 29: Appropriates \$10 million in federal nongeneral funds received via the Help America Vote Act, provides \$2 million general funds as the required state match
 - Directs funding towards the replacement of VERIS, after the receipt of a plan by the Department
- Includes \$5.0 million GF over the biennium to reimburse localities for 100% of the salaries of general registrars/directors of election, and electoral board members (currently receive only 69% and 80% respectively)

Finance – GF Actions

Department of Taxation

- Proposes \$2.4 million GF over the biennium to increase field auditor staffing in the Northern region due to population growth and larger online taxpayer base
 - \$8.6 million GF resources over the biennium are anticipated as a result of this action
- Provides an additional \$1.4 million GF over the biennium and eight positions to build a worker misclassification team
 - \$4.3 million GF resources over the biennium are anticipated as a result of this action
- \$662,666 GF over the biennium and 5 positions to implement legislation costs associated with HB 1220, related to amended state income tax returns

Independent Agencies

Virginia Lottery

- HB29 & HB30 increases the Lottery's line of credit by \$16 million to \$56 million to fund start-up costs for the implementation of iLottery, Casino Gaming, and Sport Betting legislation
- iLottery
 - Authorizes 10 positions
- Sports Betting
 - Appropriates \$2.2 million in nongeneral funds in each year in licensing application and other fees to support regulatory and oversight activities
 - Authorizes a Treasury loan for start-up costs and 5 positions
- Casino Gaming
 - Establishes regulatory and oversight activities for Casino Gaming that will be supported by licensing fees (\$25 million in House Bill 4) and potentially, up to \$16 million in each year from the Gaming Proceeds Fund
 - Authorizes a Treasury loan for start-up costs and 96 positions
 - No new revenue assumed in this biennium

Report of the Elementary and Secondary Education Subcommittee

HB 30 - Summary of Revenues for Direct Aid to Education

Source (\$ in millions)	FY 2020 CH. 854	FY 2021	FY 2022
General Funds	\$6,516.9	\$7,082.8	\$7,357.2
• Federal Funds	\$1,066.5	\$1,066.5	\$1,066.5
• Lottery Proceeds	\$628.8	\$658.0	\$662.7
• Other NGF (primarily Literary Fund)	\$139.3	\$165.0	\$85.4
Total Funds	\$8,351.6	\$8,972.3	\$9,171.8
Dollars Per Pupil	\$6,691.10	\$7,136.79	\$7,264.06

- \$1.4 billion in new spending over the biennium
- \$121.3 million above spending proposed in HB 30, as introduced

Summary of Proposed New GF Spending on Direct Aid to Education

Proposed Increases (\$ in millions GF)	FY 2021	FY 2022	Total
Rebenchmarking	\$344.7	\$459.2	\$803.9
Two 2% salary increases at start of each fiscal year	\$95.5	\$195.2	\$290.7
Expand Va. Preschool Initiative & Early Childhood	\$40.7	\$56.9	\$97.6
Increased At-Risk Add-On	\$34.9	\$35.1	\$70.0
Phase-in additional school counselors (HB 975)	\$21.2	\$24.9	\$46.1
Additional English Learner teachers (HB 1508)	\$6.6	\$14.3	\$20.9
Cost to Compete Adjustment	\$9.6	\$10.0	\$19.6
Enrollment Loss Supplement	\$6.3	\$5.9	\$12.2
Retiree Healthcare Credit	\$6.0	\$6.2	\$12.2
Hold-harmless funding to localities	\$1.5	\$1.8	\$3.3
Supplemental Per-Pupil Payments (backfills gray machines)	\$10.0	\$35.0	\$45.0
Educational and Cultural Grants and Aid	\$7.0	\$6.0	\$13.0

Proposed Policy Changes

Description (\$ in millions GF)	FY 2021	FY 2022	Total
Compensation			
<ul style="list-style-type: none"> Local option for two 2% salary increases for SOQ instructional and support positions Participating school divisions must provide increase at any time during the biennium 	\$95.5	\$195.2	\$290.7
<ul style="list-style-type: none"> Retiree Health Care Credit <ul style="list-style-type: none"> Provide for Support Staff Positions (HB1513) Buydown Amortization Period – 5 years 	\$6.0	\$6.2	\$12.2
Early Childhood Reforms	\$40.7	\$56.9	\$97.6
<ul style="list-style-type: none"> Increase Per-Pupil Amount by 10% each year Incentives for mixed delivery providers & educators Pilot to serve three-year-olds 			
Staffing Standards			
<ul style="list-style-type: none"> School counselors: +/- 1:387 students to 1:325 	\$21.2	\$24.9	\$46.1
<ul style="list-style-type: none"> English Learner Teachers (ESL): 1:59 to 1:50 	\$6.6	\$14.3	\$20.9

Proposed Policy Changes

Description (\$ in millions GF)	FY 2021	FY 2022	Total
At-Risk Add-On <ul style="list-style-type: none"> Current add-on payment range of 1-16% is increased to 1-26% by FY 22 	\$34.9	\$35.1	\$70.0
Enrollment Loss Supplement <ul style="list-style-type: none"> Reinstates pre-recession practice Provides payments for year-to-year enrollment losses 	\$6.3	\$5.9	\$12.2
Cost to Compete Adjustment <ul style="list-style-type: none"> Increases the state-recognized adjustment to recognize higher payroll costs in Northern Va. Current year adjustment is 10.6%, propose 16% Partially restores pre-recession practice – which provided a 24% adjustment. 	\$9.6	\$10.0	\$19.6

Supplemental Per-Pupil Payments

- HB 30, as introduced, anticipated \$125 million in revenue from “Games of Skill Machines,”
 - House legislation would ban these machines
 - Lottery revenues expected to recover +/- \$80 million over biennium
- Online lottery sales legislation expected to boost lottery revenues by \$5.6 million over biennium
- Proposed per-pupil payments are 41.4% (FY21) and 42.2% (FY22), exceeding goal to provide 40% of lottery revenues in per-pupil payments

Supplemental Per-Pupil Payments	FY 2020 HB 29	FY 2021 HB 30	FY 2022 HB 30
Total Supplemental Payments	\$255.5 million	\$272.4 million	\$281.5 million
Per-Pupil Amount	\$366	\$388	\$400

Proposed Changes to Educational, Cultural Grants and Aid

Description (In Millions)	FY 2021	FY 2022	Total
Proposed New Funding Initiatives:			
• Jobs for Virginia's Graduates	\$1.7	\$1.7	\$3.4
• Black History Museum & Cultural Center	\$1.2	\$1.3	\$2.5
• American Civil War Museum	\$1.0	\$1.0	\$2.0
• YMCA Power Scholars – BELL program	\$0.5	\$0.5	\$1.0
• Blue Ridge PBS	\$0.5	\$0.5	\$1.0
• Brooks Crossing Innovation Center	\$0.25	\$0.25	\$0.5
• Active Learning Grants PK-2	\$0.25	\$0.25	\$0.5
• Chesterfield Recovery High School	\$0.25	\$0.25	\$0.5
• Other Initiatives	\$0.15	\$0.45	\$0.7

DOE Central Office

Description (\$ in millions GF)	FY 2021	FY 2022	Total
Virginia Learner Equitable Access Platform <ul style="list-style-type: none"> Proposes statewide learning management system 2.5 FTEs 	\$0.0	\$7.1	\$7.1
Virtual Virginia Expansion – HB1711 <ul style="list-style-type: none"> Expands program into middle school Increases free slots for schools by 35% 	\$0.9	\$0.9	\$1.8
Legislative Implementation HB332, HB1355, HB376, HB271 (1.0 FTE)	\$0.5	\$0.15	\$0.65
Other Proposals <ul style="list-style-type: none"> Summer Equity Institute Teacher Licensure Office Workload (1.0 FTE) VPI CLASS Observations & Prof. Development Cloud Migration Grant system replacement 	\$3.3	\$1.1	\$4.4

- Proposes transferring \$181.1 million NGF federal Child Care & Development fund and 150 FTEs from DSS to VDOE in the second year.

Report of the Health and Human Resources Subcommittee

Medicaid/FAMIS Spending

	2020-22 (GF \$ in millions)
Medicaid/FAMIS/CHIP expenditure forecasts	\$600.1
Behavioral health redesign of services	13.3
New home visiting benefit for pregnant women	12.8
Fund managed care contract changes to improve outcomes	4.7
Eliminate 40 quarter work requirement for Medicaid eligibility of legal permanent residents	4.5
Provide GF to offset Va Health Care Fund to restore Tobacco MSA for the Va Healthy Youth Foundation	3.5
Extend eligibility for post partum women in FAMIS from 60 days to one year	3.2
Expand opioid treatment services for mental health patients	1.7
Care coordination for inmates prior to release	0.8
Add inpatient sub. use disorder treatment for FAMIS MOMs	0.6
Total	\$645.2

Medicaid Provider Rate Increases

Medicaid Providers	2020-22 (GF \$ in millions)
DD Waiver Providers	
Personal/Respite/Companion Care – Minimum Wage Impact	\$63.6
Personal/Respite/Companion Care - Consumer & Agency Directed NoVA Differential 4% in FY 21 / 2% in FY22	13.9
Group Homes, Sponsored Residential and Group Day Support	43.4
Skilled and Private Duty Nursing Services	5.2
Other Medicaid Providers	
Psych. Residential Treatment Facilities	15.6
Nursing Facilities	13.8
Psychiatric Services	4.8
Adjust Rates for 6 Nursing Facilities	2.7
Anesthesiologists to 70% of Medicare	0.5
Durable Medical Equipment 90% of Medicaid Fee Schedule	0.7
Total	\$164.2

DMAS & Medicaid Savings

Targeted Reductions	2020-22 (GF \$ in millions)
DMAS/Medicaid savings from increased tobacco & other products revenue in the Virginia Health Care Fund	(\$231.7)
Suspension of ACA Health Insurance Fee	(30.6)
DMAS savings from training center closures and discharges (additional savings in DBHDS)	(18.7)
Account for Final CCC Plus Contract Rates	(18.1)
HB1291 Reduce Spread Pricing MCO PBMs	(8.4)
Reduced contract spending	(0.6)
Total	(\$308.1)

DOJ Settlement Agreement Spending

Spending Items in DMAS & DBHDS (GF \$ in millions)	FY 2021	FY 2022
DMAS: DD Waiver slots – 810 slots in FY 21 and 325 slots in FY 22	\$17.0	\$24.8
DBHDS: 11 Licensing staff, 9 quality assurance and risk management staff, 5 Human Rights advocates, and 1 Individual & Family Support regional coordinator	4.1	4.2
DBHDS: Expand State Rental Assistance Program subsidies by 350	0.1	5.2
DMAS: Rate increases for 8 selected waiver services	3.6	3.7
DBHDS: Mobile dentistry equipment	NGF*	0
DBHDS: Hiram Davis Medical Center (HDMC) improvements	NGF*	0
DBHDS: Crisis Infrastructure/crisis services	NGF*	0.5
DBHDS: Data reporting requirements & data warehouse updates	0.9	1.2
DBHDS: Savings from planned training center closures	(9.2)	(16.2)
DMAS: Medicaid savings from planned training center closures	(4.8)	(13.9)
Total Costs of U.S. DOJ Settlement Agreement Related Items	\$11.7	\$9.5

*Additional nongeneral funds are also proposed for related DOJ activities through federal Medical matching funds for waiver slots as well as funds from the BHDS Trust Fund for crisis infrastructure, mobile dentistry, and HDMC improvements.

STEP-VA Behavioral Health Services

Services in DMAS & DBHDS (GF \$ in millions)	FY 2021	FY 2022
Code Required Services		
DBHDS/DMAS: CSB outpatient services	\$9.8	\$8.6
DBHDS: Peer and family support services	2.8	5.3
DBHDS: Military and veterans services	4.4	4.1
DBHDS: Mobile crisis services	*	6.4
DBHDS: Clinicians for regional crisis dispatch	0	4.7
DBHDS: CSB support staff	3.2	3.2
DBHDS: Administrative costs	1.7	1.7
STEP-VA Total	\$21.9	\$34.1**

*Funding for mobile crisis services will be integrated to respond to individuals with developmental disability through funding to address the DOJ Settlement and for those with behavioral health needs.

**Numbers may not add due to rounding.

DBHDS Community Behavioral Health Services

Community Services (GF \$ in millions)	FY 2021	FY 2022
Other Behavioral Health & Substance Use Disorder Services		
Discharge assistance plans to transition individuals from state mental health hospitals	\$7.5	\$12.5
Expand options for acute inpatient care for children	6.3	8.4
Alternative public/private options to divert facility admissions	4.2	5.2
Expand permanent supportive housing for 630 individuals	2.9	5.6
Expand discharge planning services to 3 added local jails	1.4	2.1
Expand Virginia Mental Health Access Program	4.2	4.2
Mandatory Part C early intervention services caseload	2.5	2.5
Other Services Total	\$29.0	\$40.5
Other Spending Initiatives		
Workforce training on behavioral health redesign	\$1.0	\$1.2

DBHDS Behavioral Health Facilities

GF \$ in millions	FY 2021	FY 2022
Limits temporary beds at Catawba Hospital to 28	\$5.2	\$5.2
Annualize operating support for new 56-bed expansion at Western State Hospital late FY21 opening	0.6	2.3
44.5 safety and security positions at state mental health hospitals	2.3	3.1
VCBR: Fund operating costs of new 72-bed expansion and 123 positions	0.5	5.4
CCCA: Add 12.5 positions (admissions & clinicians)	0.8	0.8
Increased pharmacy costs at state hospitals	1.0	1.0
Supervision/monitoring of conditionally released SVPs	0.2	0.5
Total	\$10.6	\$18.3

Department of Social Services

Family First Prevention Services Act (FFPSA) Initiatives

- \$31.1 million GF and \$9.8 million NGF over the biennium to establish preventive services departments and hire staff at local departments of social services
- Supplants \$6.8 million GF for agency identified FFPSA initiatives with Family First Transition Act funding
- \$16.8 million GF and \$16.8 million NGF for prevention services for children at risk of foster care placement and their families
 - Services must be evidence-based and trauma informed mental health services, substance use disorder treatment services and in-home parent skill based training
 - Must be included in the list of recognized evidence-based programs contained in the federal Title IV-E Prevention Services Clearinghouse
- \$2.2 million GF and \$2.2 million NGF and 2 positions to oversee and implement evidence-based programming for prevention and foster home services
 - Funding will support start-up fees, program development, curriculum materials
- \$1.6 million GF and \$1.6 million NGF and 20 positions for an evaluation team and technical staff to support the implementation of the new prevention programs
 - Evaluation required by federal FFPSA

Temporary Assistance to Needy Families (TANF)

NGF \$ in millions	FY 2021	FY 2022
Increase Standard of Need by 18%	\$12.0	\$12.0
Increase maintenance/assistance payment to families who provide relative care to children to avoid foster care	8.5	8.5
Add \$50/month to EBT card for summer feeding pilot program	7.8	5.1
Increase TANF benefits by 5%	3.3	3.3
Community Employment & Training Programs	3.0	3.0
Continue pilot project for LARCs	2.0	2.0
Federation of Virginia Food Banks	3.0	0
Community Action Agencies	1.5	1.5
Transit passes for low-income working families through competitive grants to public transit companies	1.0	1.0
Eliminate family cap on TANF benefits (HB 890)	0.7	0.7
Virginia Alliance for Boys and Girls Clubs	0.5	0.5
Provide TANF for individuals convicted of a felony drug related offense (HB 566)	0.1	0.1
Total	\$43.4	\$37.7

Health Insurance Reform

- Budget includes \$36.0 million GF in FY 22 in Central Appropriations to fund a reinsurance program to subsidize health insurance carriers participating in the Virginia Health Benefit Exchange, with the intent of stabilizing rates and premiums
 - Program would need legislation next year to implement
- Provides authority for the Secretary of Finance to authorize a working capital or interest-free treasury loan to the State Corporation Commission (SCC), not to exceed \$40 million, to fund the start-up costs of implementing the Virginia Health Benefit Exchange
 - Loan repayment may be extended for a period longer than 12 months
 - Budget proposes 20 additional FTEs for the SCC in FY 2021 increasing to 30 FTEs in FY 2022
 - Language allows the SCC to repay the loan through a portion of the user fees collected from insurance carriers participating in the exchange

Other HHR Items

- \$3.0 million GF over the biennium for regional Poison Control Centers
- \$1.0 million GF over the biennium for a nursing preceptor program to attract more advance practice nurses to high demand fields, such as psychiatry
- Language allows for sale of Southwestern Virginia Training Center to a health care provider, sale includes bond defeasance
- Bills funded in HHR
 - HB 1090 Vaccines for school children (\$1.9 million GF over biennium)
 - HB 1209 Office of New Americans (\$656,468 GF over biennium)
 - HB 879 Revisions to the COPN program (\$654,246 GF over biennium)
 - HB 799 Lead testing for child day care programs (\$195,950 GF in FY 22)
- Bills on sexual assault and domestic violence
 - HB 1015 Prevention fund (\$2.4 million GF over biennium)
 - HB 806 and HB 808 examine ways to improve treatment and compensation for victims sexual assault
 - HB 1176 provides locations of sexual assault nurse examiners for service providers and victims (\$118,790 GF over biennium)

Report of the Higher Education Subcommittee

Funding Recommendations for Colleges & Universities: \$344.1 million GF

- \$111.8 million for the Tuition Moderation and Six-Year Plan Funding Pool
 - Provides sufficient general fund resources to allow institutions to fund their Six-Year Plan spending requirements without having to increase in-state undergraduate tuition
 - Provides for compensation increases in both years of the biennium
- \$45.4 million in financial aid for in-state undergraduates
- \$69.0 million to implement the G3 Community College initiative
 - \$2.0 million is included in the VCCS operating for outreach efforts
- \$44.0 million for ODU & GMU for base operating costs and affordable access
- \$28.0 million at NSU & VSU
 - Supports student access, affordability and retention efforts
 - Also funding to allow for IT upgrades at both institutions

Funding Recommendations for Colleges & Universities: \$344.1 million GF

- \$8.0 million for Radford-Carilion to allow for tuition moderation
- \$8.0 million for the VCCS to support advising and base operations
- \$15.0 million additional for VCU Massey Cancer compared to FY 2020
- \$5.0 million for GMU research
- \$7.9 million for other institution-specific initiatives including:
 - UVA Foundation for Humanities (\$2.0 million)
 - Richard Bland student retention and SACS accreditation (\$1.2 million)

VIMS, Extension, EVMS, Higher Education Centers & Jeff Labs - \$7.8 million

- \$2.5 million at EVMS for base operations
- \$3.0 million at VSU Extension for research matching funds
- \$1.5 million at Jeff Labs for nuclear research
- \$0.5 million at VIMS for fisheries survey
- \$0.3 million at VT Extension

SCHEV - \$14.1 million

- \$11.2 million for Tuition Assistance Grants (TAG)
 - Eliminates proposed online restriction
 - Funding will increase the award to about \$3,850 in second year
- \$1.5 million for the Military Survivors & Dependents program
- \$0.8 million to enhance the Virtual Library
- \$0.7 of additional funding to support:
 - Title IX Training
 - Earth Science Scholars
 - Grow Your Own Teacher program expansion

Other Higher Education Recommendations

- \$2.0 million for Online Virginia Network expansion at JMU
- Other Education
 - Commission for the Arts - \$8.6 million
 - JYF - \$1.1 million for education program support
 - Library of Virginia
 - Local Library Aid - \$2.0 million
 - Gubernatorial Archiving - \$0.8 million
 - VMFA - \$0.8 million for storage and IT
 - Science Museum - \$300,000 for security upgrades

Higher Education Policy

- Out-of-State Enrollment and Pricing Flexibility
- Expansion of access to Virginia Association of State College and University Procurement Professionals, potentially reducing procurements costs
- Allow Limited Merit Scholarship
- SCHEV
 - Development of a survey on institutions expenditures by program and discipline
 - Review of higher education costs
 - Review of tuition discounting and use of tuition for financial aid

Report of the Commerce, Agriculture, and Natural Resources Subcommittee

Commerce and Trade

ECONOMIC DEVELOPMENT INCENTIVE PAYMENTS

Program Highlights (<i>in millions</i>)	GF Total Proposed	
	FY 2021	FY 2022
Semiconductor Manufacturing Grant Fund (Micron)	\$20.0	-
Advanced Shipbuilding Production Facility Grant (HII)	\$8.0	\$8.0
Special Workforce Grant (Amazon Web Services)	\$5.3	\$2.9
Aerospace Engine Facility Incentive Payments (Rolls Royce)	\$3.0	\$3.0
Pharmaceutical Company Incentive Fund (Merck)	\$3.2	\$3.0
Truck Manufacturing Company Grant (Volvo)	\$2.0	\$2.0
Advanced Production Company Grant (Morgan Olson)	-	\$0.5
TOTAL INVESTMENT:	\$41.5	\$19.4

Commerce and Trade

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

Program Highlights (<i>in millions</i>)	GF Total Proposed	
	FY2021	FY2022
Customized Workforce Program	\$5.0	\$9.7
Business Ready Site Program	\$7.6	\$3.6
TOTAL INVESTMENT:	\$12.6	\$13.3

Commerce and Trade

HOUSING AND COMMUNITY DEVELOPMENT

Program Highlights (<i>in millions</i>)	GF Total Proposed	
	FY2021	FY2022
Housing Trust Fund	\$30.0	\$40.0
Virginia Telecommunications Initiative	\$35.0	\$35.0
Eviction Prevention and Diversion Pilot Program	\$3.3	\$3.3
Southeast Rural Community Assistance Project	\$1.6	\$1.6
TOTAL INVESTMENT:	\$69.9	\$79.9

Commerce and Trade

Virginia Innovation Partnership Authority (VIPA)

- VIPA replaces the Innovation Entrepreneurship Investment Authority and the Virginia Research Investment Committee
- Adds governance language which requires the submission of three annual reports from VIPA: Operating, Expenditure, Performance
 - Performance report details metrics and outcomes for the Funds managed directly by VIPA
- Requires quarterly updates from the President of VIPA on the transition and governance activities for the new Authority
- Requires the submission of an annual report from Centers of Excellence with an annual state investment of over \$1.0 million
 - Includes Virginia Catalyst, Commonwealth Center for Advanced Manufacturing, and Commonwealth Cyber Initiative

Commerce and Trade

VIRGINIA INNOVATION PARTNERSHIP AUTHORITY

Program Highlights (<i>in millions</i>)	GF Total Proposed	
	FY2021	FY2022
Growth Accelerator Program Fund	\$3.1	\$3.1
Regional Innovation Fund	\$1.0	\$4.0
Commonwealth Commercialization Fund	\$9.0	\$10.0
Technology Industry Development Services	\$1.0	\$2.0
Center for Unmanned Systems	\$1.0	\$1.0
Virginia Biosciences Health Research Corporation	\$3.8	\$3.8
Commonwealth Center for Advanced Manufacturing	\$3.6	\$3.6
Commonwealth Cyber Initiative	\$20.0	\$20.0
Commonwealth Center for Advanced Logistics	\$0.15	\$0.15
Virginia Academy of Engineering, Science, and Medicine	\$0.13	\$0.13
Administrative	\$3.1	\$3.9
TOTAL INVESTMENT:	\$45.9	\$51.6

Commerce and Trade

Department of Labor and Industry

- Provides an additional \$1.5 million GF in each year to fill 12 unfunded Compliance Safety and Health Officer positions
- Provides an additional \$1.4 GF over the biennium and seven positions to support additional enforcement officers to investigate potential violations of the state's labor laws pursuant to legislation adopted by the House in 2020

Department of Mines, Minerals, and Energy

- Provides \$275,000 GF in each year to create an Office of Offshore Wind within the agency
- \$40 million in bond proceeds for improvements to the Portsmouth Marine Terminal in anticipation of growth in the offshore wind energy industry

Department of Small Business and Supplier Diversity

- Provides new funding of \$741,130 GF in each year and authorizes seven positions to establish a unit to source SWaM business participation on large dollar Commonwealth contracts

Water Quality Improvement Programs

- Includes deposits totaling \$88.8 million GF over the biennium to the Water Quality Improvement Fund
 - \$47.0 million GF statutorily required deposit in FY 2021 based upon FY 2019 revenue surplus and unexpended agency balances
 - \$41.8 million GF supplemental deposit in FY 2022
 - Intent is to provide a stable funding base for Ag BMPs and consistent support for Soil and Water Conservation Districts
- Of these deposits, a total of \$74.9 million GF is directed to the Natural Resource Commitment fund
- Soil and water conservation districts would receive \$4.7 million in FY 2021 and \$4.6 million in FY 2022 for technical assistance

Dam Safety and Land Conservation

- Includes \$10.0 million GF deposit each year into the Dam Safety, Flood Prevention, and Protection Assistance Fund
- Land conservation totals \$21.5 million GF each year
 - Virginia Land Conservation Foundation - \$20.0 million GF each year
 - Battlefield Preservation Fund - \$1.25 million GF each year
 - Farmland Preservation Fund - \$250,000 GF each year

DCR and DEQ

Department of Conservation and Recreation

- Includes \$1.0 million GF each year maintenance staff, and preventive maintenance needs across the State Park system
- Provides \$550,000 GF over the biennium and two positions to operate Green Pastures Recreation Area as an extension of Douthat State Park
- For Mason's Neck State Park, recommends \$402,000 GF each year for five additional state employees and \$1.8 million GF in FY 2021 for water infrastructure

Department of Environmental Quality

- Includes \$30 million GF over the biennium to fill a total of 55 positions
 - Additional staffing, support and equipment for the Department's water, air and land permitting programs
 - Supports Department's efforts related to communications and targeted activities in the area of environmental justice
- Removes prohibition on joining the Regional Greenhouse Gas Initiative and the use of air protection program funds to develop a Clean Power Plan without prior approval of the General Assembly

Other Natural Resources Agencies

Department of Historic Resources

- Recommends \$3.8 million GF in FY 2021 and \$1.4 million GF in FY 2022 for cultural museum initiatives in Alexandria, Charlottesville, and Richmond
- Provides \$200,000 GF in FY 2021 and \$100,000 GF in FY 2022 for new highway markers and repair of existing markers related to the Virginia African American History Trail
- Includes \$45,000 GF in FY 2021 and \$100,000 GF in FY 2022 to support costs of legislation which would establish a permanent fund for the preservation of historical African American cemeteries and gravesites
- Maintains \$83,570 GF each year for the care of Confederate graves

Marine Resources Commission

- Includes \$4.0 million GF each year to support oyster replenishment and restoration
- Removes language prohibiting the Commission from increasing recreational and commercial saltwater fishing license fees

Agriculture and Forestry

Department of Agriculture and Consumer Services

- Provides \$5.8 million GF for the Virginia Food Access Investment Program and Fund (House Bill 1509)
- Recommends an additional \$800,000 in FY 2021 and \$200,000 GF in FY 2022 and two positions for testing of industrial hemp extracts and the registration of hemp growers, dealers, and processors

Department of Forestry

- Includes \$1.0 million GF over the biennium for the establishment of a new hardwood forest habitat program, which is matched by 1:1 industry contributions
- Provides \$400,000 GF each year and four positions for activities related to Phase III of the Watershed Implementation Plan
- Recommends the creation of a new state forest in Charlotte County using \$5.1 million NGF from the State Forest Mitigation Acquisition Fund

Report of the Transportation and Public Safety Subcommittee

Department of Corrections

- Adds \$12.6 million GF in FY 2021 and \$14.9 million GF in FY 2022 for increased Hepatitis C testing and treatment costs
 - HB 29 includes \$10.3 million GF for this purpose
- Increases appropriation for inmate medical services by \$3.9 million GF in FY 2021 and \$5.6 million GF in FY 2022
 - HB 29 includes additional \$1.2 million GF in FY 2020
- Includes \$3.0 million GF and \$3.0 million NGF in FY 2021 and \$9.9 million GF in FY 2022 in new resources to procure and begin implementation of electronic health records (EHR) system
- Recommends \$8.7 million GF over the biennium to establish pilot medical programs at two correctional facilities operated by VCU and UVA
- Includes deposit of \$1.1 million GF in FY 2021 in Corrections Special Reserve Fund for a total of 21 House Bills affecting criminal sentencing

Department of Criminal Justice Services

- Includes \$2.3 million GF each year to expand local pretrial and probation services to localities in which they are not currently provided
- Provides \$1.5 million GF each year to provide grants to localities to assist in implementing security measures which address vulnerabilities related to hate crimes
- Proposes \$2.6 million GF in FY 2021 and \$194,000 GF in FY 2022 and two positions for gun violence intervention programs
- Recommends \$1.0 million GF each year to increase the appropriation for Pre and Post-Incarceration Services (PAPIS)
- Includes \$150,000 GF in FY 2021 for one-time grants to five localities to conduct community assessments for youth and gang violence prevention initiatives
- Provides \$100,000 GF each year and one position to conduct training for law enforcement related to the removal of firearms from persons posing a substantial risk to themselves or the community

State Police and ABC

State Police

- Recommends \$2.4 million GF in FY 2021 and \$1.2 million GF in FY 2022 for 10 positions related to various bills
 - Universal background checks, one gun per month, extreme risk legislation, and requiring student loan servicers to undergo a background check
- Includes \$6.0 million over the biennium to implement the provisions of the Community Policing Act (House Bill 1250)
- Removes language included in Chapter 854 (2019) prohibiting the purchase or implementation of bodyworn camera systems by state agencies or authorities

Alcoholic Beverage Control Authority

- Part 3 amendments to HB 29 and HB 30 increase the net profit transfer from Authority sales above amounts assumed in Chapter 854 (2019)

FY 2020	FY 2021	FY 2022
\$4.7 million	\$3.5 million	\$7.1 million

Sheriffs and Jails

Compensation Board

- Annualizes the cost of operating the Prince William/Manassas Detention Center expansion, providing \$2.4 million GF in FY 2021 and \$2.5 million GF in FY 2022
- Proposes \$1.0 million GF in FY 2021 and \$1.1 million GF in FY 2022 for additional staffing in sheriffs' offices
 - 29 additional deputy sheriffs, which represents 25% of Compensation Board's assessment of additional staffing needed

Judicial Department

District Courts

- Provides \$3.8 million GF and 60 positions in FY 2021 and \$7.4 million GF and 60 positions in FY 2022 for additional deputy district court clerk positions

Indigent Defense Commission

- Recommends \$3.8 million GF in FY 2021 and \$5.7 million GF in FY 2022 and 59 positions to increase attorney staffing levels at public defender offices across the Commonwealth
- Includes \$3.5 million GF each year and 35 positions to establish a new public defenders office in Prince William County
 - Would be first new public defenders office opened since 2005

Virginia State Bar

- Provides \$1.0 million GF each year for additional civil indigent defense attorneys

Subcommittee Funding Recommendations Pursuant to the Passage of HB 1414

(Additional NGF Funding in Millions)

Agency	FY 2021	FY 2022
Dept. of Transportation	\$95.5	\$115.3
Dept. of Rail and Public Transportation *	\$112.8	\$78.6
Virginia Port Authority	\$2.7	\$2.6
Dept. of Motor Vehicles	\$4.7	\$5.0
Dept. of Aviation	\$0.8	\$0.8
Virginia Commercial Space Flight Association	<u>\$0.8</u>	<u>\$0.8</u>
Total	\$217.3	\$203.1

* Funding amendment for DRPT includes \$50.0 million for the Virginia FY 2021 match for the WMATA Passenger Rail Investment and Improvement Act as well as the impact of HB 1414

Other Transportation Legislation

- Subcommittee's recommendations includes \$179.5 million NGF in FY 2021 and \$198.2 million NGF pursuant to the passage of HB 1541 creating the Central Virginia Transportation Authority
 - Modeled after the Hampton Roads Transportation Accountability Commission
 - Authority will administer transportation funding generated through the imposition of an additional regional 0.7 percent sales and use tax and a 2.1 percent wholesale gas tax for localities within planning district 15
- Subcommittee's recommendations include \$2.6 million NGF each year and 95 FTEs for the Department of Motor Vehicles (DMV) pursuant to the passage of HB 1211 which removes the legal presence requirement for individuals to be issued drivers licenses or special IDs from the DMV

Language Amendments

- Directs DRPT to conduct an evaluation of enhanced public transportation services from the Franconia-Springfield Metro Station south into Prince William County
- Instructs DRPT to evaluate the cost and impact of extending the Virginia Railway Express commuter rail service from Manassas to Gainesville
- Directs DRPT to evaluate the impact of reestablishing a connector bus from the City of Roanoke to the Amtrak station in Clifton Forge
- Prohibits VDOT from charging customers for low or non-usage of EZ Pass transponders

Report of the Capital Outlay Subcommittee

House Bill 29

- CWM Fine & Performing Arts supplement - \$16.7 million VCBA
- UMW Seacobeck Hall supplement - \$6.2 million VCBA
- VMI Equipment for three projects - \$11.3 million VCBA
- GMU School of Conflict Analysis - \$4.0 million VCBA & \$4.0 million NGF match
- Central State Hospital - \$51.1 million VPBA
- DJJ Center - \$12.0 million VPBA
- VT Student Wellness Center supplement - \$9.5 million NGF
- Alexandria CSO - technical language changes

House Bill 30 Savings

- Defer / Cost Shift New Planning – saves \$14.9 million GF
- Phase / Cash Flow Projects – saves \$289.9 million VCBA / VPBA
- Defer New Projects – saves \$211.4 million VCBA / VPBA

Major Projects

- \$690.1 million for 17 projects in the VCBA capital pool including:
 - NSU Science Building
 - Radford Center of Adaptive Innovation
 - VSU Replace Daniel Gym / Harris Hall
 - ODU Science Building
 - Five VCCS projects across System
 - RBC Center for Innovation and Education
 - UVA-Wise Wylie Library
 - UVA Physics Building
- \$187.8 million for six projects in the VPBA capital pool including:
 - VMFA Expansion
 - SMV Northern Virginia Center

Other Major Capital Expenditures

- \$273.0 million for Maintenance Reserve
- \$145.7 million for project supplements
- \$97.2 million for Equipment in New Buildings
- \$80.0 million for next phase of STARS upgrade
- \$92.0 million for stormwater assistance
- \$40.0 million for nutrient removal
- \$25.0 million for 2nd phase of Alexandria CSO
 - 3rd phase in next biennium estimated at \$40 million

Capital Outlay Policy Actions

- Allow use of carry forward balances for one-time items to include project planning
- ABC property sale technical language
- Higher education projects approved for planning due date set for post-July 2022
- Restore missing language in Maintenance Reserve related to Fort Monroe and Frontier Culture Museum