

**Key Features - Senate Bills 29 and 30
As Amended by Senate Finance & Appropriations
(February 16, 2020)**

Resources

- General fund resources total \$24.0 billion in FY 2021 and \$24.2 billion in FY 2022.
 - Includes additional general fund carryforward balances of \$247.6 million, reflecting additional FY 2020 resources of \$292.5 million from midsession reforecast and the impact of tax conformity legislation and changes to FY 2020 expenditures.

Revenue Reserves

- Includes mandatory deposits to the Rainy Day Fund of \$262.9 million in FY 2020, \$77.4 million in FY 2021, and \$112.3 million in FY 2022.
- Provides deposits to the Revenue Cash Reserve of \$419.8 million in FY 2020 and \$300.0 million in FY 2022.
- Brings the combined balances of the Rainy Day Fund and Revenue Cash Reserve to \$2.0 billion by the end of FY 2022.

Public Education

- Provides an increase in Direct Aid to localities for Education of \$596 million in FY 2021 and \$738 million in FY 2022, above the FY 2020 levels, totaling \$1.3 billion over the biennium.
- Provides an additional \$48.2 million GF for the incremental funding to increase the state's share of a teacher salary increase from 3.0 percent to 4.0 percent in the second year, with some local flexibility.

February 16, 2020

- Provides \$122.8 million GF for the state's share of a 3.0 percent bonus for teachers, effective December 1, 2020.
- Provides \$27.5 million NGF each year to restore the school construction grants program. The grants provide funding to all school divisions to assist with school construction, modernization of classroom equipment, school safety renovations or school security equipment, or debt service payments.
- Provides \$39.5 million GF to fund the state's share of one school counselor for every 300 students in the second year. This represents approximately an additional 200 school counselors above the current level of school counselors employed by school divisions.
- Maintains \$81.4 million GF for the expansion of the Virginia Preschool Initiative program, \$56.7 million GF to provide additional support for at-risk students and \$27.6 million GF to support the state's share of costs for one instructional position for every 50 limited English proficient students.

Higher Education

- Maintains \$96.3 million over the biennium for a new "last dollar plus" community college workforce initiative ("G3"). This program is focused on low-income students pursuing applied degrees in high demand areas (skilled trades, health care, law enforcement, and early childhood education).
- Includes an additional \$60.5 million for undergraduate need-based financial aid.
- Includes \$14.4 million for new pilot affordability programs at VSU and NSU, along with the other funding for these universities included in the introduced budget.
- Includes \$13.3 million additional for Tuition Assistance Grants (TAG) for students attending Virginia private colleges.

Health and Human Resources

Medicaid

- Fully funds the \$644.4 million GF Medicaid Forecast.
 - Captures savings of \$30.5 million GF in Medicaid due to elimination of the Affordable Care Act tax on insurance companies.
 - Includes an additional \$74 million GF in savings by implementing a 30 day readmission policy consistent with Medicare and an emergency room utilization program.
- Provides \$34.0 million GF to add adult dental coverage in Medicaid beginning January 1, 2021.
- Adds \$84 million GF to provide a 5 percent increase in rates for Personal Care workers on July 1, 2020 and another 2 percent on July 1, 2021. Also removes the cap on overtime and allows workers to be paid for up to 16 hours of overtime each week.
 - Budget language directs a review of strategies to provide sick leave to these workers.
- Funds \$56.8 million to increase provider rates for nursing homes, residential psychiatric facilities, skilled and private duty nursing, and adult day health care.

Behavioral Health

- Redirects the \$19.7 million in the introduced budget provided for adding 56 beds at Catawba Hospital to community-based services.
 - Provides \$10 million GF for pilot projects with private hospitals to address census pressures at state mental health hospitals.

- Provides \$17.0 million GF for Permanent Supportive Housing for individuals with serious mental illness, doubling the funding for the program by FY 2022, allowing over 2,000 to be served.

Other Health and Human Resources

- Provides an additional \$43.3 million GF to fund rate increases for developmental disability providers and adds 500 waiver slots in the second year to address growth in the waiting list.
 - Total slots created in the budget are now 810 the first year and 825 the second year.
- Redirects funding (\$73 million per year) for a Reinsurance Program in the individual insurance market to other higher priority programs.

Public Safety

- Provides \$55 million NGF from a \$4.00 increase in the vehicle registration fee (per Senate Bill 972) to fully fund the compensation and retention plan of the Virginia State Police.
 - Needed to address a vacancy rate of nearly 20 percent for state troopers.
- Provides \$17.3 million GF for financial support of local police departments.
 - This is a 4.5 percent increase over FY 2020.
- Adopts \$56.6 million GF for inmate health care in the introduced budget.
 - \$27.6 million to treat up to 800 inmates a year with Hepatitis C.
 - \$9.6 million for pilot projects with UVA and VCU Health Systems. UVA will provide Hepatitis C Treatment at Fluvanna Correction

Center for Women. VCU will provide orthopedic services onsite at the State Farm Complex in Powhatan.

- \$9.5 million for electronic health records.
- \$8.9 million for general medical services.

Agriculture, Forestry and Natural Resources

- Provides the largest single-year deposit to the Water Quality Improvement Fund - Natural Resources Commitment Fund - for livestock stream exclusion totaling \$76.3 million GF in FY 21.
 - Includes an additional \$29.3 million in FY 21.
- Includes a single-year investment in land conservation at a level not made since 2005, for a total of \$10 million GF in FY 21 and \$15 million over the biennium.
- Invests \$20 million GF in critical safety improvements to Soil & Water Conservation District owned dams with a one-time deposit in FY 21.
- Provides a one-time general fund investment of \$10 million GF in FY 21 for rebuilding oyster reefs.
- Investments in historic justice initiatives for improved interpretive experiences at museums across the Commonwealth, totaling \$5.7 million in FY 20.
- Phases-in new staffing across Natural Resources agencies as part of multi-year commitment and provides \$12.8 million GF over the biennium.
- Establishes the Virginia Food Access Investment Fund to increase access to healthy food in underserved communities with an initial capitalization of \$0.5 million in FY 21.

Commerce and Trade

- Establishes the Virginia Innovation Partnership Authority, and invests more than \$94 million in general and nongeneral funds to catalyze research commercialization, innovation and entrepreneurship, and to leverage synergies among existing technology-focused initiatives.
- Invests \$35.0 million GF each year in the Virginia Telecommunication Initiative to accelerate broadband investment in rural and unserved areas of the Commonwealth.
- Provides an additional \$15.0 million GF for developing business-ready sites and buildings to attract more high-paying jobs and capital investment to the Commonwealth.
- Increases the annual commitment to the Housing Trust Fund to \$30.0 million GF each year to support efforts to reduce homelessness and ensure Virginians have affordable housing opportunities.
- Invests \$5.9 million GF in occupational safety and labor law compliance initiatives to safeguard Virginia's workers.
- Invests an additional \$2.0 million GF in the Industrial Revitalization Fund, and an additional \$1.0 million in the Enterprise Zone Program, to spur investment in economically disadvantaged communities.

Transportation

- Allocates more than \$700 million in new revenues to transportation agencies over the biennium, resulting from the passage of SB 890, including:
 - \$350 million for highway maintenance and construction;
 - \$300 million for transit and passenger rail;
 - \$30 million for Department of Motor Vehicles staffing and compensation; and

- Dedicated ongoing funding for the Port Authority, Spaceport, and Aviation agencies.
- Oversight of Passenger Rail Authority and proposed economic development initiatives in offshore wind to be provided through the MEI Commission.

General Government

- Provides over \$234 million over the biennium for employee compensation, including:
 - a three percent first year bonus on December 1, 2020 for state employees;
 - a three percent full-year, second year raise for state and state-supported local employees; and
 - targeted compensation initiatives, including a one-time \$200 first year bonus on December 1, 2020 for sheriffs, and sworn and non-sworn staff; and a first year bonus and second year pay increase of three percent for adjunct faculty at two-year and four-year public colleges and universities.
- Provides \$3.9 million each year for general district court clerks, to be used for additional clerk positions and pay increases, applied in a manner prescribed by the Executive Secretary of the Supreme Court.
- Endorses several initiatives contained within the Introduced Budget for constitutional officers and state-supported local employees, including pay and staffing increases for sheriffs, Commonwealth's attorneys, and circuit court clerks.
- Provides a \$30.7 million lump sum repayment to the Virginia Retirement System teacher plan in FY 2020, to accelerate the payback of the contributions deferred during the 2010-12 biennium.

Capital Outlay

- Reduces the total amount of state-authorized debt by over \$700 million over the 2020-2022 biennium and almost \$43 million in the Caboose bill, instead phasing in a number of items over future years.
 - Over \$242 million for natural resources capital outlay;
 - Provides \$50 million investment in Stormwater program to partner with local government.
 - Provides \$55 million for Alexandria CSO to reduce the discharge of raw sewage into the Potomac River.
 - Provides \$60 million for Wastewater Treatment Plant improvements across the state to reduce nutrient pollution in the Chesapeake Bay watershed.
 - Provides \$75 million in critical infrastructure needs at Virginia State Parks.
 - \$274 million for maintenance reserve projects for state agencies and institutions - \$144 million from general fund cash;
 - \$108.5 million for equipment for projects coming online;
 - \$22.1 million for projects related to the Tech Talent initiative; and
 - \$13.2 million for GF cash-supported planning projects.