



Recommended Amendments to the FY 2020-2022 Budget (HB 1800)

February 10, 2021

House Appropriations Committee

Overview of Committee Actions and Revenue Adjustments



Committee's General Guidance

- Committee's objectives were developed based on input from individual and collective meetings of the Subcommittee Chairs
- Chairman identified six overarching priorities:
 - Target funding to address unique needs arising from the COVID-19 pandemic,
 - Enhance our reserves so we can respond to next biennial budget without the federal support we currently are depending on,
 - Fund our public education system so students can return to learn with adequate supports,
 - Provide meaningful employee compensation increases for all groups of employees,
 - Continue to make strategic investments in higher education, health and human resources and equity in employment, and
 - Make progress in meeting our 2025 water quality improvement requirements and other environmental concerns



Overall Funding Priorities

COVID-19 Response

- Includes a total of \$329.5 million in allocations for COVID-19 relief (exclusive of K-12 supplements), including:
 - \$20 million in additional funding for Rebuild VA, \$14 million for PPE sales tax exemption and \$37.6 million to allow deductibility of tax-free PPP grants
 - \$190.7 million in funding for VDH and VDEM for vaccination, testing and PPE
 - \$41.6 million in continued supplements for nursing homes
 - \$16 million for VEC enhanced customer service and systems changes

Revenue Reserves

- Adds an additional \$130 million to the Revenue Reserve Fund in FY 2021, in addition to the \$650 million deposit in FY 2022
- Brings our combined reserve balances to a historic high \$2.0 billion



Overall Funding Priorities

Public Education

- Provides \$429.5 million in No Loss Payments to ameliorate impact of pandemic-related enrollment declines on state aid
- Includes \$231.4 million to provide a 5% pay increase, effective July 1, 2021, for SOQ-recognized positions
- Includes \$123.0 million to assist with COVID-19 remediation and student supports

Compensation

- Provides compensation adjustments for all employee groups in July 2021
 - 3.5% salary increase for state and university employees
 - Included adjustments for two lower-paid and pandemic critical employee groups: correctional officers and social services workers
 - State supported local employees also receive the 3.5% increase in the second year
 - Includes \$3.5 million to increase general registrars' salaries to match Treasurers



Overall Funding Priorities

Higher Education

- \$84.0 million to Maintain Affordable Access
 - Includes \$24.0 million for ODU & GMU
- \$34.5 million federal funding for COVID testing
- \$30.3 million in financial aid for in-state undergraduates
- \$36.0 million to implement the G3 Community College initiative

HHR:

- Provides \$82.9 GF and \$86.8 NGF for Medicaid long-term care provider increases
- Includes \$12.4 million GF and \$22.2 million NGF for maternal and child health initiatives
- Recommends \$17.1 GF and \$6.1 million NGF in other health care spending in HHR agencies



Overall Funding Priorities

Workforce Equity

- Provides \$8.2 million from all sources to support paid sick leave for essential workers including new positions at the Department of Labor and Industry to implement the policy
- Creates a new Secretary of Labor to bring a new focus to Virginia's agencies tasked with representing the needs of workers

Environmental Stewardship

- Authorizes \$150 million in bonds (50% of the total state share) for Nutrient Removal bonds pursuant to HB 2129
- Includes total deposit of \$69.4 million GF in FY 2022 to the Water Quality Improvement Fund
- Funds a \$26.0 million deposit to the Stormwater Local Assistance Fund (SLAF)



Committee Resource and Spending Adjustments

Resource and Revenue Changes	FY 2021	FY 2022	Biennial
Unappropriated Balance - as Introduced	1,488,46,226	(1,437,294,123)	51,142,10
Changes to Resources	(9,422,323)	173,436,684	164,014,361
Net Spending	(221,260,653)	427,466,978	206,206,325
Ending Balance/Unappropriated Balance	1,700,274,556	(1,691,324,417)	8,950,139
Additions to Balances			
Various Legislative Carryforward Balances	5,911,271	0	5,911,271
FY 2022 Unallotment of eFMAP from Medicaid	0	237,586,684	237,586,684
Subtotal-Balances	5,911,271	237,586,684	243,497,955
Changes to Revenues			
Additional Tax Revenue - E-Filing Threshold	100,000	550,000	650,000
Conformity - Legislation	(9,000,000)	(69,700,000)	(78,700,000)
Conformity - PPE at 25k for individuals	(25,000,000)	(11,000,000)	(36,000,000)
Rebuild Virginia and EIDL Subtraction	(91,100,000)	(500,000)	(1,600,000)
HB 2185 - Sales Tax Exemption for PPE	(6,000,000)	(8,000,000)	(14,000,000)
HB 2337 - Income Tax Subtraction for 100% disabled veterans	0	(3,200,000)	(3,200,000)
Revenue from Sports Betting legislation		11,700,000	11,700,000
Subtotal-Revenues	(41,000,000)	(80,150,000)	(121,150,000)
Changes to Transfers			
ABC Profits Forecast	20,000,000	0	20,000,000
ABC Property Transfer to VCU - Washes	0	16,000,000	16,000,000
OAG: Consumer Affairs Revolving Fund	5,666,646	0	5,666,646
Subtotal - Transfers	25,666,646	16,000,000	41,666,546



COMPENSATION AND GENERAL GOVERNMENT SUBCOMMITTEE



Compensation

- Includes total of \$168.2 million GF for a 3.5% raise for state employees, adjunct faculty and state supported local employees
 - Introduced budget had funded a \$1,500 bonus for state employees, 1.5% bonus for state-supported locals, and \$750 bonus for adjunct faculty
- Provides \$3.5 million GF to increase General Registrar Pay to equal Treasurers in FY 2022
- Restores \$2.1 million GF to increase the lowest level salaries for social workers and eligibility determination specialists
- Includes \$7.4 million for a one-time \$1,000 bonus for correctional officers to address the hardships they've faced during the pandemic



Benefits

- Includes \$100 million in FY 2021 for a one-time payment to the Virginia Retirement System to reduce unfunded liabilities
 - \$61.3 million for the final phase of the repayment of deferred contributions to the public school teacher's retirement plan, covering both the State and school divisions' shares
 - \$38.7 million for the state employee health insurance credit program
- Retains \$19.7 million GF in funding for the 3.35% increase in state employee health insurance premiums increase in FY 2022
- Includes \$2.0 million in FY 2021 and \$50,000 GF in FY 2022 to fund the impact of HB 2207 and HB 1985 which includes COVID-19 in the "presumption clause" as an occupational disease under worker's compensation for health care workers and first responders



General Government

Office of the Attorney General

- Adds \$734,829 GF in FY 2022 in additional resources for the Office of the Attorney General support the implementation of House Bills 2004 and 2307
 - Removes \$968,481 GF in FY 2022 in proposed funding for the Office of the Attorney General for legislative proposals that did not advance or which have fiscal impacts beginning in the next biennium

Office of the State Inspector General

- Directs the State Inspector General to review the regulatory structure of charitable gaming in Virginia
 - This report is due December 1, 2021



General Government

Department of Elections

- Includes an additional \$16.7 million GF in FY 2022 to replace the state's voter registration system (VERIS). With the \$12.2 million already appropriated for the project, this will be fully funded
- Authorizes ELECT to use about \$1.0 million in remaining funds appropriated during Special Session I, 2020 General Assembly for the reimbursement of postage on absentee ballots in the upcoming election cycle
- Includes about \$300,000 in FY 2022 for ELECT to educate voters on changes made to election law in the 2020 and 2021 General Assembly Sessions



General Government

Department of General Services

- Provides \$400,000 GF in FY 2022 to create an annual procurement workgroup to review any proposed changes to the Virginia Public Procurement Act to better understand cost and process considerations involved with legislative proposals, before and after session

Department of Accounts Transfer Payments

- Provides an additional \$130 million GF in FY 2021 to deposit in the revenue reserve fund, bringing total additional deposits to \$780 million GF over the biennium
 - Brings combined balances in the rainy day fund and the revenue reserve to over \$2 billion by the end of the biennium, which is in line with the minimum recommendation from the rating agencies

Workers' Compensation

- Restores \$775,000 GF to increase the reimbursement rate for forensic examinations for sexual assault victims, bringing total funding to \$2.7 million in FY 2022



General Government

Claim for Wrongful Incarceration

- Includes a Part V amendment approving a claim for wrongful incarceration for Ms. Esther Thorne and appropriates \$321,587 to fund her claim

Technology Systems and Infrastructure Upgrades

- Proposes \$19.3 million GF and \$31.8 million NGF over the biennium for technology system upgrades and strategic technology investments in general government agencies (administration, finance, and independent agencies)
 - Includes an additional \$15.0 million NGF the second year to support costs of moving to a state owned and operated health benefit exchange at the State Corporation Commission
 - Includes \$8.4 million NGF at the Virginia Lottery to support the purchase of new gaming equipment for retailers
 - Includes \$16.7 million GF at the Department of Elections for VERIS upgrade (mentioned on a previous slide)



COMMERCE, AGRICULTURE AND NATURAL RESOURCES SUBCOMMITTEE



Commerce and Trade

New Cabinet Member

- Creates a new Secretary of Labor with responsibility for DOLI, DPOR, and VEC pursuant to House Bill 2321, 2021 General Assembly
 - Provides \$951,148 GF in FY 2022 for the new secretariat including \$341,956 in additional resources beyond the money contained in the introduced budget to support the activities described below

Labor Law and State Capital Construction Process Workgroup

- Updates the language for a current workgroup authorized in Chapter 56 (2020 Special Session I) looking at remedies to labor brokering and other labor-related violations on state capital construction contracts
 - Extends workgroup deadline to October 1, 2021 to put together a legislative and budget package for consideration by 2022 General Assembly
 - Enables an infrastructure for the state to respond when alleged instances of worker misclassification and wage theft occur on state public works contracts
 - Charges the Chief Workforce Development Advisor and Secretary of Finance with leading this effort
- Initiates a training program for procurement officers on current labor laws
- Creates an interagency taskforce to share data on substantiated findings of worker misclassification and wage theft beyond just those instances occurring on public construction projects



Department of Housing and Community Development

Proposed Spending for Select Programs (\$ in millions)	FY 2021	FY 2022
Additional funding for the VATI program in Year 2 (excludes administrative funding for the program)	\$49.7	\$49.7
Additional deposit to the Virginia Housing Trust Fund (level funds VTF at \$30 m in year 2, due to federal rental relief)	70.7	30.0
Infrastructure Upgrades for Petersburg Economic Development Opportunity		10.0
Continues Eviction Prevention and Diversion Program	3.3	3.3
Southeast Rural Community Assistance Project (water access)	1.0	1.6
Removes proposed \$3 m increase for Virginia Main Street Program (adds \$20 m in skilled games revenue for Rebuild VA)	0.5	0.5
Supports development of broadband availability maps		0.4
Restores increase for Planning District Commissions		0.3
Restores increase for Enterprise Zone program	0.3	0.3
Provides funding for septic system pilot program at Middle Peninsula PDC		0.1
HB 2053: Accessory Dwelling Unit Workgroup		.05
TOTAL GF	\$125.5	\$96.3



Virginia Employment Commission

- Includes \$10.0 million GF the second year to maintain current customer service levels for the unemployment insurance (UI) program through the end of biennium
- Proposes \$5.0 million GF the second year for one-time costs to incorporate programs authorized by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act into the agency's new unemployment insurance system
- Provides \$750,000 GF the second year for estimated interest payments on federal cash advances to pay UI benefits
 - Reduces funding included in the introduced budget due to the recent extension of the interest free period on federal loans and additional deposits into the state UI trust fund
- Supports an actuarial study with \$300,000 GF in FY 2022 to better understand the costs with establishing a Paid Family and Medical Leave Program in Virginia
- Contains \$250,000 GF the second year for the Commission to begin forgiving no-fault overpayments of UI benefits in certain cases



Economic Development

Proposed Spending (\$ in millions)	FY 2022
Economic Development Incentive Payments	
Initial Payment for CMA CGM (tied to legislation)	\$6.3
Initial Payment for Microsoft (tied to legislation)	5.6
Final Payment to Amazon Web Services	2.3
Virginia Jobs Investment Program	2.0
Virginia Economic Development Partnership	
Business Ready Sites Program	5.0
Talent Solutions Program	2.4
International Trade Plan	1.4
Office of Labor Market and Education Alignment	0.5
Virginia Innovation Partnership Authority	
CCAM Federal Research Funds	1.4
Base Budget Increase for Rent	0.3
TOTAL GF	\$27.2



Additional Commerce Actions

Department of Labor and Industry

- Provides an additional \$1.5 million GF in FY 2022 to support 12 additional occupational safety and health compliance officers
- Adds \$419,055 GF in FY 2022 for the Department to implement a paid sick leave policy for essential workers pursuant to HB 2137

Department of Small Business and Supplier Diversity

- Adds \$20 million from skilled games revenue to the Rebuild Virginia program, bringing total support for the small business assistance fund to \$140 million
- Provides \$741,130 GF in FY 2022 for the Department to start a team focused on increasing the participation of SWAM businesses on state contracts
- Requires the Department of Small Business and Supplier Diversity to develop an improvement plan for the Business One Stop at the recommendation of the Joint Legislative Audit and Review Commission



Additional Commerce Actions

Department of Mines, Minerals and Energy

- Provides \$5.0 million GF in FY 2022 to establish an Electric Vehicle Rebate Program (HB 1979)
- Includes \$250,000 GF in FY 2022 to study the health and environmental impacts of mining gold (HB 2213)
- Directs the Department to establish a work group to assess the feasibility of creating a Virginia Residential Property-Assessed Clean Energy (R-PACE) Program



Natural Resources: Water Quality

- Jumpstarts the next phase of improvements for wastewater treatment plants by providing \$150.0 million in bonds (50% of the total state share) for Nutrient Removal bonds pursuant to HB 2129
 - Remainder will be authorized in subsequent biennium
- Includes a total deposit of \$69.4 million GF in FY 2022 to the Water Quality Improvement Fund
 - \$30.4 million GF statutorily required deposit from unexpended FY 2020 agency balances (“Part B” deposit) and \$39.0 million GF supplemental deposit
 - Of this total, \$65.0 million GF in FY 2022 is directed to the NRCF for agricultural best management practices
 - Deposit also includes \$4.55 million GF for base technical assistance to the Soil and Water Conservation Districts
- Provides a \$26.0 million GF deposit to the Stormwater Local Assistance Fund in FY 2022
- Increases appropriation for VCAP program by \$500,000, and restores \$170,000 for environmental literacy programs



Department of Conservation and Recreation

- Supports \$5.0 million for Project Harmony
 - Would establish the Harmony Living Shoreline memorial, and assist in activities related to repatriation of materials of the former Columbian Harmony Cemetery to New Harmony Cemetery
- Provides \$3.5 million to assist the Chickahominy Tribe in the acquisition and restoration of tribal lands
- Supports \$1.0 million and five positions to address access issues at Natural Area Preserves
- Restores \$556,000 for additional state park operating support, and \$400,000 for the Dam Safety Program
- Other items supported:
 - \$2.0 million to assist in acquisition of George Washington's River Farm
 - \$1.5 million to connect Mason Neck State Park to local municipal water system
 - Restoration of \$1.0 million for construction of Riverfront Park in Danville
 - \$400,000 each year for Lyngbya remediation at Lake Gaston



Department of Environmental Quality

- Supports restoration of \$12.0 million GF in FY 2022 for the Department's monitoring, compliance, permitting, and policy activities, including:
 - \$8.3 million GF for Water Protection,
 - \$2.0 million GF for Air Protection, and
 - \$1.7 million GF for Land Protection
- Provides a \$1.1 million GF second year deposit to the Stormwater Management Fund
 - Language directs the State Water Control Board to adopt a schedule that ensures fees cover at least 60% of the cost of DEQ's stormwater management programs
- Provides \$175,000 GF for a field test of the effectiveness of certain plantings in removing road salt from impervious surface stormwater runoff



Other Natural Resources Actions

Department of Wildlife Resources

- Language amendment delays implementation of boat ramp access fees until July 1, 2022, and directs the Department to study and provide recommendations for how best to maintain or improve existing boat ramps, and add new boat ramps

Department of Historic Resources

- Includes \$570,000 GF for the Carver Price Legacy Museum
- Provides \$255,000 GF for historic programming at the Loudoun Freedom Center
- Restores \$159,000 GF for the Department to establish and underwater archaeology program



Ag & Forestry

Department of Agriculture and Consumer Services

- Increases appropriation for Office of Farmland Preservation by \$1.0 million
- Provides an additional \$2.0 million for the Food Access Investment Fund in FY 2021
- Includes \$1.0 million the first year to capitalize the Dairy Producer Margin Coverage Premium Assistance Program pursuant to House Bill 1750
- Provides \$500,000 and two positions for VDACS to coordinate with VEDP in the implementation of Virginia's international trade plan
- Includes \$600,000 to establish the Virginia Agriculture Food Assistance Program pursuant to House Bill 2203
- Supports restoration of \$277,000 for additional food inspectors, and \$246,000 for VDACS activities related to Phase III of the Watershed Improvement Plan



Ag & Forestry

Department of Forestry

- Restores \$522,000 for the development of a hardwood forest habitat program, and provides \$290,000 to increase the tree seedling nursery's hardwood capacity
- Restores \$479,000 for Department activities related to Phase III of the Watershed Improvement Plan
- Language directs department to convene a work group to review best practices to increase tree canopy coverage in developed areas, or to prevent tree canopy loss



ELEMENTARY & SECONDARY EDUCATION SUBCOMMITTEE



Public Education

- Adds \$355.5 million over the biennium
 - Technical updates save \$413.2 million, mostly due to 3.5% ADM decrease
 - New policy spending adds \$768.7 million
 - \$145.3 million over the \$623.4 million proposed in HB 1800
- Net new spending includes
 - \$192.8 million GF
 - \$81.1 million NGF Gray Machine Revenue
 - \$75.1 million NGF Lottery Proceeds
 - \$6.5 million NGF Federal ESSER II

Proposed New Policy Spending
(\$ in millions)



K-12 Federal Stimulus

Federal relief for public education has been significant

- Since HB 1800 was introduced, Congress passed a relief package providing \$845.4 million in flexible funding to school divisions
- In total, \$1.3 billion in federal COVID-19 relief has been provided to school divisions
 - Equivalent to a 17% increase in FY 2021 state aid
- New relief package also provides \$123.9 million for statewide initiatives

\$ in millions NGF	CARES March 2020	CAA Dec. 2020
Federal Relief to School Divisions		
Elem. & Secondary School Emergency Relief (ESSER)	\$214.7	\$845.4
Coronavirus Relief Fund (CRF)	\$220.8	\$0
Total Local Relief	\$435.5	\$845.4
Federal Relief for State-Level Initiatives		
Gov's Emergency Ed. Relief (GEER) <i>higher ed & K-12</i>	\$66.8	\$30.0
ESSER <i>K-12 only</i>	\$23.9	\$93.9
Total State-Level Relief	\$90.7	\$123.9

CAA also set-aside an additional \$46.6 million in GEER funds for Emergency Assistance to Non-Public Schools



Direct Aid Technical Updates

Technical updates decrease GF spending by \$416.2 million, primarily due to 3.5% decrease in ADM projections

\$ in millions GF	FY 2021	FY 2022	TOTAL
Technical Updates included in HB 1800			
<ul style="list-style-type: none"> • ADM reforecast & program participation updates • Net impact sales tax update • Additional Lottery Proceeds 	(\$218.7)	(\$197.5)	(\$416.2)
Additional Technical Updates in House Report			
<ul style="list-style-type: none"> • GF Savings - Additional \$23.2 million Lottery Proceeds in FY 21 • Update VPI Participation • Update School Meals Expansion Program Participation • Update Governor's School Participation 	(23.2)	0	0
	(15.9)	0	0
	(2.5)	0	0
	0.1	0	0
Total Additional Technical Updates	(41.5)	0	0
TOTAL TECHNICAL UPDATES	(\$260.2)	(\$197.5)	(\$457.7)



Compensation

5.0% Pay Increase, effective July 1, 2021

- Proposes \$231.4 million GF in FY 2022 to provide state share of pay increase for SOQ-recognized instructional and support staff
- \$151.4 million more, or about three-times the \$80.0 million proposed in HB 1800 for a 2% Bonus
- Includes flexibility to school divisions to provide an average 5.0% pay increase over FY 2021 and FY 2022 and does not require full 5.0% local increase to occur in FY 2022

Cost of Competing Adjustment (COCA)

- Proposes \$13.2 million GF in FY 2022 to increase COCA rate for support positions in Northern Va. from 10.6% to 18.0%
 - Prior to the 2008 recession, this rate was 24.0%
 - Partial COCA for outlying Northern Va. localities would increase from 2.65% to 4.5%
- Proposes \$670,000 GF to add Eastern Shore to localities receiving partial COCA rate, recognizing higher teacher salaries in Maryland
 - HB1800 proposed full COCA rate for \$2.8 million



COVID-19 & Return To Learn

Learning Loss Supplemental Payments

- Proposes \$51.1 million NGF in FY 2021 from gray machine revenues to support local efforts to address COVID-19 learning loss
 - Could be used for extended school year, summer school, tutoring, remediation and recovery, counseling and student supports
- Payments distributed based on At-Risk Add-On formula, using a range of 0% to 6% Add-On to Basic Aid, based on concentration of poverty
- Permits school divisions to carryover funds from FY 2021 to FY 2022
- No local match required

Remediation and Recovery Grants

- Proposes \$30.0 million NGF in FY 2022 from federal ESSER II state set-aside to support competitive grants to support innovative COVID-19 learning loss programs aligned with best practices

School Counselors

- Provides \$26.6 million to implement 1:325 ratio provided in 2020 legislation



COVID-19 & Return To Learn

Special Education Eligibility

- Includes \$6.5 million NGF in FY 2022 from ESSER II funds to permit certain special education students to attend high school for an additional year to aid with post-secondary transition impacted by school closures
- Applicable to special education students who will 'age out' of eligibility in 2021-22 school year
- Includes state share of basic aid and amount equal to federal IDEA funding that would have been provided had the student not 'aged out'

Growth Assessments

- Proposes \$8.8 million NGF in FY 2022 from ESSER II funds for DOE to redesign grades 3-8 math & reading SOL assessments, as a growth assessment system, as directed by HB 2027



Early Childhood Care & Education

Child Care Subsidy Eligibility

- \$62.1 million NGF from federal CCDF funds to implement HB 2206, temporarily expanding eligibility for child care subsidy payments

Virginia Preschool Initiative Payments

- Includes a 10% increase to VPI Per Pupil Amount in FY 2022 – first of two 10% increases
 - HB 1800 proposed a single 21% increase for an additional \$11.1 million

Other Items

- Restores \$5.0 million GF in the second year to support Early Childhood Educator Recruitment/Retention Incentives
- \$300,000 GF to expand Va. Kindergarten Readiness Assessment to Pre-K
- \$205,000 GF to support consolidation of early childhood oversight at DOE
- Language:
 - Special Education inclusion targets in VPI classrooms
 - Early Childhood Mental Health implementation report



Other Direct Aid Actions

Infrastructure & Operations Per Pupil Payments

- Includes \$30.0 million GF to increase these payments to meet the House's goal to distribute 40% of lottery proceeds through these funds

Covington/Allegany County Consolidation Incentive

- Restores \$582,000 GF to support the merger of these school divisions

Supplemental Grants

Proposed Supplemental Grant Actions	\$ in GF
Jobs for Virginia Graduates (restoration)	\$1,670,000
Power Scholars Academy – YMCA Bell (restoration)	450,000
Blue Ridge PBS (restoration)	350,000
Holiday Lake 4-H	332,000
Literacy Lab (restoration)	300,000
Active Learning Grants (restoration)	250,000
Purchase Albuterol for Public Schools – HB 2019	120,000
Metropolitan Baseball League	100,000



JLARC Recommendations

In 2020, JLARC issued reports on Children Services Act funding, Special Education, and DOE operations. Proposed budget addresses JLARC's recommendations through:

- \$681,000 GF to support:
 - Training modules for IEP team members
 - Enhancing postsecondary planning for students with disabilities
 - Special education teacher recruitment and retention efforts
 - Monitoring school division compliance with key state standards
- Several language amendments:
 - Standardized reporting of private day school information
 - Restraint & seclusion regulations in private day schools
 - DOE's oversight of local special education programs
 - Applied studies diploma standards
 - Enhancing Virginia's school improvement program



Language Amendments

Other proposed Language Amendments include:

- Directing DOE to initiate reviews of:
 - The Literary Fund program and regulations
 - Family Life Education in Virginia
 - Efficiency of State-Operated Program funding in Juvenile Detention Facilities
- Providing better transparency and accountability in school quality information for full-time virtual school programs
- Requiring Governor's Schools to publish diversity goal plan information online



HEALTH AND HUMAN RESOURCES SUBCOMMITTEE



Health and Human Resources

- Amendments provide \$114.6 million GF over the introduced budget
- Employs new and existing federal dollars to address critical needs such as, COVID-19 vaccinations, testing, disease surveillance and investigation, and personal protective equipment
- Focuses on a few areas of continued concern:
 - Long-term care
 - Maternal and child health
 - Improving the operation of the Medicaid program



COVID-19

- Proposes \$107.3 million in state and federal dollars over the biennium for mass vaccination efforts
 - \$30.2 million GF and \$18.0 million NGF the first year
 - \$59.1 million NGF the second year
 - Maximizes new federal dollars for vaccinations
- Includes \$46.5 million in new federal funds for state agencies to support disease surveillance and investigation, testing, contact tracing and personal protective equipment
- Includes \$1.0 million GF and \$1.0 million NGF to cover COVID-19 vaccinations for adults in the base Medicaid program



Long-Term Care

- Provides \$41.6 million GF and \$41.6 million NGF in FY 2022 to continue add-on for Medicaid nursing home payments (\$12/day)
 - Adds language to focus future state funding on improving care to patients
- Restores \$119,955 GF and \$119,955 NGF to modify capital funding for a nursing facility under special circumstances
- Recommends \$36.7 million GF and \$38.1 million NGF in FY 2022 to increase Medicaid personal, respite and companion care rates
 - 7% increase on July 2021 including the 2% increase approved by 2020 GA
 - Funding also covers the minimum wage increase on January 1, 2022
- Provides \$3.9 million GF and \$3.9 million NGF in FY 2022 for up to 40 hours paid sick leave for personal care attendants (HB 2137)
- Adds \$53,247 GF and \$103,361 NGF for person care attendant orientation training
- Recommends \$3.5 million in state and federal funding in FY 2022 to increase payments for nursing facilities and long-stay hospitals that serve special populations



Maternal and Child Health

- Recommends \$11.1 million GF and \$20.7 million NGF in FY 2022 to expand FAMIS prenatal care services for expectant mothers, regardless of immigration status, who otherwise meet eligibility
- Includes inpatient substance use disorder treatment as a benefit in the FAMIS MOMS program
- Includes \$2.5 million in state and federal funds to add Doula services as a new Medicaid benefit for pregnant women
 - Includes funding for Doula training to navigate Medicaid administrative requirements
- Provides \$202,326 to fund the Task Force on Maternal Health Data and Quality Measures (HB 2111) and planning for the creation of a Fetal and Infant Mortality Review Team (HB 1950)



Other Health Care Spending

- Amendments provide \$2.3 million GF and \$2.3 million NGF to Children's Hospital of the King's Daughters in indirect medical education payments
- Provides \$1.3 million GF and \$3.8 million NGF for the Emergency Dept. Care Coordination Program
- Adds \$114,420 in FY 2022 in state and federal funds to restore funds for the Medicaid works program
- Recommends \$40,000 GF in FY 2022 for the Special Olympics Healthy Athlete Program



Medicaid Program Improvements

- Recommends \$1.0 million GF and \$1.5 million NGF to authorize the development of a single Medicaid managed care program
 - Proposed language merges the Commonwealth Coordinated Care Plus, Medallion 4.0, and FAMIS managed care programs into a single, streamlined program
- Recommends \$850,000 GF and \$850,000 NGF to for an analysis of Medicaid and FAMIS administrative and operational data requirements and their impact on maternal mortality and birth outcomes



Virginia Dept. of Health

- Includes \$10.2 million to update the Cooperative Health Dept. formula used to distribute funds to the local health departments (HB 1963)
 - Language holds localities that lose funding harmless for one year
- Level funds COVID-19 public information campaigns in 2nd year providing \$6.5 million GF each year
- Provides \$500,000 to expand adult sickle cell services
- Restores \$375,000 for the Virginia Sexual & Domestic Violence Prevention Fund
- Provides \$181,298 GF in FY 2022 for the state share of rent increase for the Chesapeake Health Department
- Recommends \$1.4 million in funding in FY 2022 for legislation
 - HB 2007 Prescription price transparency (\$393,801 GF)
 - HB1989 Communicable disease info system for EMS (\$956,377 NGF)
 - HB 1995 Rare Disease Advisory Council (\$42,716 GF)



Dept. of Behavioral Health & Developmental Services

- Provides \$6.4 million NGF from new federal funds for COVID-19 epidemiology surveillance and investigations, testing and contact tracing in DBHDS facilities
- Recommends \$2.3 million GF to assist Chesapeake Regional Medical Center in establishing a 20-bed psychiatric unit
 - Language directs the Dept. of Behavioral Health & Developmental Services to ensure a portion of the total bed days will be used to divert admissions to state psychiatric hospitals
- Level funds discharge assistance plan funding at \$10.0 million GF in FY 22
- Provides \$300,000 GF for supported decision-making for individuals with developmental disabilities (HB 2230)



Other Actions

- Includes \$3.5 million GF in FY 2022 for discharge assistance for patients with dementia in state geriatric psychiatric hospitals
- Provides \$1.4 million GF in FY 2022 for brain injury services
- Adds \$300,000 GF in FY 2022 for HB 2230, supportive decision-making agreements for individuals with developmental disabilities
- Provides \$2.0 million GF for Northampton Community Center in the second year
- Provides \$5.0 million GF for CASA community welcome center in Prince William County in FY 2022



FY 2022 TANF Spending

Recommended Spending	GF	NGF
Increase TANF payments by 5%	\$335,238	\$3,829,406
Good Shepherd Housing & Family Services		\$200,000
FACETS		\$250,000
United Community		\$500,000
Lorton Community Action Center		\$200,000
BritePaths		\$200,000
Koinonia		\$200,000
Visions of Truth STRIVE Program		\$75,000
Total	\$335,238	\$5,454,406

Leaves a TANF balance of \$46.9 million in FY 2022.



GF Supplants

Recommended GF Supplants & Savings	FY 2021	FY 2022
Medicaid - 4 th Quarter eFMAP	(\$114,851,105)	\$0
FAMIS - 4 th Quarter Enhanced FMAP (eFMAP)	(\$1,834,183)	\$0
MCHIP – 4 th Quarter eFMAP	(\$1,762,463)	\$0
DSS Title IV-E Programs – 4 th Quarter eFMAP	(\$2,923,178)	\$0
Adjust Virginia Health Care Fund for Additional Revenue from Nonparticipating Tobacco Mfg.	(\$39,388,787)	\$0
Child Care and Development block grant for child care for school age children	(\$16,600,000)	\$0
Federal grant for vaccination efforts	\$0	(\$59,123,029)
Federal epidemiology & laboratory capacity (ELC) grant - surveillance & investigation, testing, contact tracing and PPE	(\$2,910,726)	(\$9,030,901)
Total	(\$180,270,442)	(\$68,153,930)



GF Savings

Recommended GF Savings	FY 2022
Level Fund Communications Campaign	(\$6,000,000)
Shift Coverage of Certain Prenatal Care Services to FAMIS Program	(\$13,428,714)
Capture Savings from Delay in Behavioral Health Redesign	(\$10,062,988)
Level Fund Discharge Assistance Funds	(\$2,500,000)
Total	(\$31,991,702)



Language

Dept. of Medical Assistance Services

- Unallots FY 2022 estimated savings from first two quarters of enhanced FMAP
- Requires use of new CPT codes for Medicaid Applied Behavioral Analysis to bring covered services up-to-date
- Permanently continues use of telemedicine services and includes additional item for analysis of remote patient monitoring
- Requires review of Medicaid eligibility for federal Supplemental Security Income recipients
- Defers nursing home rebasing for one-year
- Requires review of certain Medicaid non-emergency transportation services



Language

Dept. of Behavioral Health & Developmental Services

- Clarifies the use of funding for local inpatient services purchased by Community Services Boards
- Adds organizations to the workgroup to analyze provision of dementia services to individuals who have behavioral health diagnoses

Virginia Dept. of Health

- Requires quarterly disbursements of required funding to the Virginia Assoc. of Volunteer Rescue Squads

Dept. of Social Services

- Unallots FY 2022 estimated savings from first two quarters of enhanced FMAP for Title IV-E programs



HIGHER EDUCATION



Funding Recommendations for Colleges & Universities: \$197.7 million GF & \$34.5 million Federal

- \$84.0 million to Maintain Affordable Access
 - Includes \$24.0 million for ODU & GMU
- \$34.5 million federal funding for COVID testing
- \$30.3 million in financial aid for in-state undergraduates
- \$34.5 million to implement the G3 Community College initiative
 - \$1.5 million is included in the VCCS operating for outreach efforts
- \$19.1 million at NSU & VSU
 - Supports student access, affordability and retention efforts
 - Also funding to allow for IT upgrades at both institutions
 - Also includes \$4.5 million at NSU for the Connected Campus initiative to acquire additional IT for telework and student success
- \$5.0 million for NSU / ODU Joint School of Public Health
- \$8.0 million for Radford – Carilion nursing program merger
- \$4.0 million for JMU enrollment growth



Funding Recommendations for Colleges & Universities:

\$197.7 million GF & \$34.5 million Federal (cont.)

- \$7.5 million for cancer research
 - \$5.0 million for VCU Massey Cancer Center
 - \$2.5 million for UVA Cancer Center
- \$5.3 million for institution-specific items
 - VCU Wilder School - \$500,000
 - CWM Minority Faculty Pipeline - \$700,000
 - UVA-Wise Nursing - \$810,912
 - Longwood Teacher Pipeline - \$137,410
 - VT Unique Military – \$150,000
 - RBC Bland Audit Compliance & Remote Learning - \$802,000
 - VCCS Health Pipeline - \$1.0 million
 - VCCS Va Western Carilion Merger - \$413,689
 - VCCS Southside Va Solar - \$296,314
 - VCCS Pre-hire training - \$500,000



Other Higher Education

- \$8.5 million for TAG Grants
 - Increases average award to \$4,000 in FY 2022
 - Provides a \$2,000 grant for online students previously exempted
- \$1.5 million at VSU Extension for research state matching funds
- \$0.6 million for the five higher education centers
- \$185,000 at VIMS for shellfish research
- \$600,000 GF & \$6.0 million HEETF at VT Extension
- SCHEV
 - \$200,000 implement HB 2123
 - \$100,000 cost study pilot
 - \$220,375 Earth Science Scholars



State Library & Museums

- Library of Virginia
 - \$1.0 million Local Library Aid
 - \$400,000 gubernatorial records
- JYF
 - \$254,311 American Revolution 250 Commission
 - \$471,820 Educational Programming
 - \$412,484 Digital Marketing
- VMFA
 - \$1.0 million for planning Monument Avenue
 - Language requires development of plan and timeline
 - \$400,000 for storage and IT
- Science Museum - \$210,000 for security upgrades
- Frontier Culture Museum - \$62,563 for IT network



Higher Education Policy

- G-3 program
 - Technical changes to make consistent with HB 2204
 - Expansion of eligibility for frontline workers in COVID
 - Restore technical language adopted in 2020 Session
- RBC Innovative Pathways
- Additional Flexibility
 - Athletic fees temporary waiver of §23.1-1309 calculation
 - Streamline SWAM pathways
 - Conformity with procurement act on advertising
- Additional Transparency
 - Refund Policies
 - Contact Information



CAPITAL OUTLAY SUBCOMMITTEE



General Fund

- \$16.0 million for VCU acquisition of ABC property
 - Funds return to the Commonwealth in form of ABC profits
 - This will offset state share of educational space that is part of the project
- \$10.0 million to restore planning for nine projects
 - DSP Training Academy
 - NSU Fine Arts
 - UMW Fine & Performing Arts
 - VT Extension Urban Agriculture Center
 - Gunston Hall Maintenance Facilities
 - DOC Powhatan Infirmary
 - DOC Deerfield Expansion
 - VMNH Satellite Facility Waynesboro
 - VMI Leadership & Ethics
- \$1.0 million for DCR Newton Neck land acquisition



VCBA / VPBA Bonds

- \$220.0 million for four remaining projects from 2016 Program
 - CWM – Integrated Science Center, Phase IV
 - VT – Undergraduate Lab Building
 - VCCS – Renovate Slaughter Building, Germanna
 - VCCS – Renovate Amherst / Campbell Hall, Central Va
- \$30.0 million GMU Life Science / Bull Run Hall – add additional floor
- \$28.3 million supplement Chesapeake Hall project
- \$150.0 million for nutrient removal (HB 2129)
- \$4.6 million JMU Steam Plant
 - Additional \$2.0 million from NGF
- \$1.2 million NSU Pre-school Academy renovation



Acquire Advance Manufacturing Building (CCAM)

- Rescinds authority for the VCU Advanced Logistics project (CCALS)
 - Repurpose \$19.0 million in bonds
- \$12.1 million to acquire the CCAM building
 - No change in mission
 - DGS will assume control and provide O & M
 - Provides fiscal relief for CCAM
- \$6.9 million to create the Commonwealth Center for Cloud Computing (C4) – located in Henrico
 - High performance computing / Big Data – new capability in Virginia
 - Partnership between CCAM, CCALS, UVA, VCU, VT, ODU, VSU & Longwood
 - Managed by VCU but governed by the partners
 - Institutions provide staffing & support
 - Leverages Cyber initiative (CCI)
 - Students gain access to advanced digital tools & knowledge
 - Other parts of country have used this to attract tech companies



Other Capital

- \$750,000 for Maintenance Reserve
 - \$500,000 DGS
 - \$250,000 DBHDS
- \$7.5 million NGF for SMV Urban Green Space
- Middle River Jail Expansion language
- DSP Project Title Change (Technical)



TRANSPORTATION AND PUBLIC SAFETY SUBCOMMITTEE



COVID Response: VDEM

- Provides a total of \$58.6 million over the biennium for the purchase, storage, and distribution of PPE
 - This includes an unanticipated \$47.0 million reimbursement received from FEMA which supplants a portion of proposed GF
- Supports \$8.1 million GF in FY 2021 and \$6.7 million GF in FY 2022 for the Emergency Operations Center
- Includes \$2.2 million GF each year for third-party support for a Health Equity Workgroup



Department of Corrections

- Includes \$14.3 million GF over the biennium in increased support for inmate medical costs
- Supports \$1.3 million GF in FY 2022 for security at VCU's new outpatient medical clinic, and security staff in the secure ward at Southampton Memorial Hospital
- Provides \$500,000 each year to increase funding for the offender substance abuse screening and assessment program
- Includes a \$427,376 GF deposit in the Corrections Special Reserve Fund to reflect the bedspace impact of House Bills affecting criminal sentencing
- Provides \$250,000 GF the second year to support prison video visitation



State Police

- Appropriates \$13.0 million GF in FY 2022 for the costs of IT system upgrades required to implement an automatic expungement process pursuant to House Bill 2113
- Provides \$7.5 million GF in FY 2022 to increase the base appropriation for replacement of trooper vehicles
 - Existing manufacturer of patrol vehicles will no longer produce sedans, requiring purchase of more expensive SUVs
- Includes \$145,000 GF for additional FOIA support technicians pursuant to House Bill 2004
- Includes one-time appropriation of \$100,000 to implement VCIN improvements pursuant to House Bill 2163



Other Public Safety Actions

Legalization of Cannabis

- Authorizes \$10.0 million line of credit for establishment of the Virginia Cannabis Control Authority
- Includes \$5.0 million GF contingency fund in Central Appropriations for agency activities related to cannabis legalization

Alcoholic Beverage Control Authority

- Part 3 amendment increases the transfer of estimated net profits to the general fund by \$20.0 million the first year

Department of Juvenile Justice

- Backfills lost child support revenue with \$435,000 GF the second year pursuant to House Bill 1912

Secretary of Veterans and Defense Affairs

- Provides \$5.0 million GF for the National Museum of the United States Army



Judicial Department

- Appropriates \$1.5 million GF for system improvements required to implement an automatic expungement process pursuant to HB 2113
 - First of four years of costs of implementing changes
- Provides \$6.7 million for the Criminal Fund to reflect preliminary estimate of costs of eliminating mandatory minimums and allowing individuals to petition for resentencing, pursuant to HB 2331
- For the Indigent Defense Commission:
 - Savings of \$3.9 million GF pursuant to HB 2263, which eliminates the death penalty
 - Provides \$1.8 million GF for additional attorneys, mitigation specialists, and administrative support
 - Provides \$1.1 million GF for the costs of leased office space and to fully staff the newly established Prince William County Public Defender Office



Transportation

- Budget includes \$55 million GF for Transportation
 - \$50 million for rail extension to Christiansburg and 2nd train to Roanoke
 - \$5 million for trail projects – majority for \$48 million Eastern Shore trail
- \$500,000 GF to help fund study pursuant to HJ 542 to study Transit Equity and Modernization
 - Total cost of study could be up to \$2.0 million
- Additional Language amendments
 - Waive Cap for Transit Ridership Incentive Program
 - Remaining language amendments largely technical

