

Central Appropriations

Adopted Adjustments				
(\$ in millions)				
	FY 2021 Adopted		FY 2022 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2020-22 Current Budget	(\$578.4)	\$72.9	(\$840.8)	\$72.9
(Ch. 56, 2020 Special Session 1)				
Adopted Increases	572.9	0.0	1,182.5	0.0
Adopted Decreases	<u>(3.5)</u>	<u>(0.0)</u>	<u>(4.8)</u>	<u>(0.0)</u>
Net Change	569.4	0.0	1,177.7	0.0
Ch. 552 (HB 1800, as Adopted)	(\$9.0)	\$72.9	\$336.9	\$72.9
% Change	(98.4%)	0.0%	(140.0%)	0.0%
FTEs	0.00	0.00	0.00	0.00
# Change	0.00	0.00	0.00	0.00

- **Compensation Supplements**

- *Provide Funding for Employee Compensation Adjustments.* Provides \$495.2 million GF the second year in across-the-board and targeted compensation adjustments for state and state-supported local employees, including SOQ funded instructional and support positions. Of this total, \$236.2 million is for a 5 percent salary increase for state employees, effective June 10, 2021 for the July 1, 2021 payday, and a 5 percent salary increase for state-supported local employees, effective July 1, 2021. For adjunct faculty at two-year and four-year higher education institutions, \$5.8 million GF the second year is provided for a 5 percent base pay adjustment, effective July 1, 2021.

In addition to the 5 percent across-the-board increase for state employees, sworn employees of the Department of State Police will receive an additional 3 percent increase (for a total of 8 percent), and in order to address salary compression, sworn employees with three or more years of continuous state service will receive a salary adjustment of \$100 for each full year of service up to thirty years, effective June 10, 2021.

Reflected in Item 145 of the budget, \$233.7 million GF in the second year is provided for the state's share of up to a 5 percent salary adjustment for SOQ funded instructional and support positions, effective July 1, 2021. Language provides additional flexibility to local school divisions, which may access a prorated share of funds up to 5.0 percent if they provide at least a 2 percent average increase over the biennium.

For state corrections and law-enforcement staff of the Department of Corrections and Department of Juvenile Justice employed as of November 24, 2021, \$7.5 million GF the second year is provided for an additional \$1,000 one-time bonus payment on December 1, 2021.

In Item 87 of the budget, \$3.5 million GF the second year is provided to increase the salaries of general registrars to be equal to the existing salary scale for local treasurers. The funding is sufficient to provide 100 percent reimbursement to localities of the salary differential between the current and new salaries, effective July 1, 2021.

In Item 351 of the budget, \$2.2 million GF and \$2.2 million NGF is restored to increase the minimum pay bands for local departments of social services positions.

In Item 4 of the budget, \$846,907 GF the second year is provided for a salary initiative for Capitol Police officers, Communications Officers, and full-time and part-time support staff, effective July 1, 2021. For Capitol Police officers, starting salaries will increase from \$42,750 to \$45,000, and following graduation from the academy, salaries will increase from \$43,935 to \$49,000. The salaries of Communications Officers will increase from \$31,000 to \$37,000, and the salaries and wages of full-time and part-time support staff will be upwardly adjusted.

- **A Summary of Approved Compensation Actions is Depicted Below:**

Adopted Compensation Adjustments		
(\$ GF only, in millions)		
<u>Base Salary Adjustments</u>	<u>Cost</u>	<u>Effective Date</u>
State Employees ⁽¹⁾		June 10, 2021
5% Salary Adjustment	\$182.1	(for the July 1, 2021 payday)
State-supported Local Employees		
5% Salary Adjustment	48.3	July 1, 2021
Teachers/SOQ Positions		
5% Salary Adjustment ⁽²⁾	<u>233.7</u>	July 1, 2021
Total GF Cost (Across-the-Board)	\$469.9	
<u>Targeted Salary Actions</u>		
VSP Sworn Staff; w/ 3 or More Years of Svc.		
Additional 3% Salary Adjustment; and \$100/Year of Service (up to 30 years)	7.7	July 1, 2021
DOC/DJJ Corrections and LE Staff		
\$1,000 One-time Bonus	7.5	Paid on Dec. 1, 2021
Adjunct Faculty		
5% Base Pay Adjustment	5.8	July 1, 2021
General Registrars		
Parity w/ Local Treasurers' Pay Scale	3.5	July 1, 2021
Local DSS Employees		
Increase Pay Bands for Positions	2.2	July 1, 2021
Capitol Police		
Increase Starting Salaries; Compression Adjustment;		
Full/Part-time Wage Adjustment	<u>0.8</u>	July 1, 2021
Total GF Cost (Targeted)	\$25.3	
Total GF All Compensation Actions	\$495.2	
⁽¹⁾ Provides additional flexibility for higher education institutions to provide an overall percentage increase that is less than 5 percent for non-classified employees.		
⁽²⁾ Reflected in Item 145 (Direct Aid). Provides flexibility for local school divisions. To access funds, school divisions must provide at least an average 2 percent pay increase during the 2020-22 biennium, with a prorated portion of funding provided between 2 and 5 percent.		

- **Adjustments to Employee Benefits**

- *Adjust Rates and Funding for Presumption Legislation.* Provides \$2.0 million GF the first year and \$76,000 GF the second year to cover the costs of adjusting workers' compensation premiums and Line of Duty Act premiums due to the passage of Chapters 547 and 526 (HB 2207/SB 1375) and Chapters 346 and 437 (HB 1818/SB 1275) of the 2021 Acts of Assembly, Special Session I. The first year cost is included to support the retroactive provisions of Chapters 547/526 of the 2021 Acts of Assembly, Special Session I (HB 2207/SB1375), and includes language that such funds would be unallotted if the final enactment of the bills does not provide for retroactive coverage. However the bills, as passed, provide for retroactive coverage to September 1, 2020.
- *Adjust Funding for Health Insurance Premium Costs.* Reduces by \$955,401 GF the second year the projected increase for the state's share of employee health plan premiums, based on adjustments to contractually determined rates for the two fully insured health plans, Optima Health and Kaiser Permanente. While the most recent actuarial report projected health insurance costs would increase 6.4 percent, current balances in the health insurance fund and lower member utilization is expected to absorb half of the projected increase. Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005), reduced health plan premium funding by \$20.6 million the second year, equivalent to a 3.35 percent increase, due to lower healthcare utilization and sufficient health insurance fund balances.
- *Amend Line of Duty Act Means Testing and Spousal Provisions.* Adds language that amends Line of Duty Act (LODA) to remove the income testing provision for a disabled person who was injured in the line of duty in February 2016, but whose date of disability for LODA is in March 2019, and provides that the eligible spouse of such person shall not lose LODA provided health insurance coverage upon divorce or remarriage.

- **Distributed Agency Support**

- *Adjust Funding for Workers' Compensation Premiums.* Includes a reduction of \$453,376 GF the second year to reflect the adjustment in workers' compensation premiums, based on the most recent actuarial report.
- *Adjust Funding for Line of Duty Act (LODA) Premiums.* Reduces \$413,986 GF each year to reflect a change in the Line of Duty Act (LODA) premiums charged to state agencies based on the most recent enrollment data.

- **Funding Information Technology Applications**

- *Adjust Funding for Agency Information Technology Costs.* Includes \$6.1 million GF the first year and \$20.7 million GF the second year to reflect the adjustment in the general fund share of information technology costs for agencies based on the latest utilization estimates provided by the Virginia Information Technologies Agency (VITA) and rates for FY 2022.
- *Repay Line of Credit for Agency Virtualization and Cloud-Readiness.* Provides \$2.2 million GF the first year for additional funding to repay the Virginia Information Technologies Agency (VITA) line of credit for agencies' expected virtualization and cloud-readiness activities. Chapter 1289 of the 2020 Acts of Assembly (HB 30), provided \$2.5 million GF the first year for this purpose. This proposal would bring the total appropriation to \$4.8 million GF. Chapter 854 of the 2019 Acts of Assembly (HB 1700) authorized agencies to draw from VITA's line of credit to pay the costs of certain agencies for cloud migration activities, as recommended by the Chief Information Officer, and subject to approval by the Secretaries of Finance and Administration.
- *Adjust Funding for Cardinal Financials Agency Charge.* Adds \$340,252 GF the first year and \$328,305 GF the second year to make a correction in the agency allocation of costs for the general fund share of internal service fund charges for the Cardinal Financials System.

- **Special and Unanticipated Expenditures**

- *Remove and Make Available Funding for Legislation.* Removes \$3.0 million GF each year that was included in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005), to cover costs associated with criminal records expungement and other legislation adopted during the 2021 Special Session I.
- *Add Funding for Slavery and Freedom Heritage Site.* Provides an additional \$9.0 million GF the second year for a total of \$10.0 million in funding to be made available to the City of Richmond (City) for the planning and development of the Slavery and Freedom Heritage Site and improvements to the Slave Trail. Language provides that funding for the planning and development of the Slave Trail shall be made immediately available to the City, and the remaining funds shall be made available after planning and development information for the entire project, including the Slavery and Freedom Heritage Site and Lumpkin's Pavilion, are provided by the City to the Department of General Services, which will serve as the fiscal agent for the project.

Chapter 3 of the 2014 Acts of Assembly, Special Session I (HB 5010) contained \$2.0 million GF for the City for this purpose, contingent upon the dedication of

contiguous land and \$5.0 million in local matching funds. Chapters 1 and 2 of the 2018 Acts of Assembly, Special Session I (HB 5001/HB 5002) provided a total of \$2.0 million in anticipated project expenditures, and language directing the re-appropriation of unexpended general fund balances as of June 30, 2019. Language also required the City Council pass a resolution and commitment to the project and local matching funds of at least \$5.0 million prior to the receipt of state funds, and that the City is eligible for up to \$9.0 million, or 25 percent of the total project costs, when improvement construction has been completed. The funding largely represents a reappropriation of funds that previously required the City to satisfy the local matching requirement.

- ***Fund Initial Costs of the Virginia Cannabis Control Authority.*** Adds \$3.5 million GF the second year for the initial operating costs of the Virginia Cannabis Control Authority, created pursuant to Chapters 551 and 550 of the 2021 Acts of Assembly, Special Session I (HB 2312/SB 1406). The disbursement of the funds is contingent upon the determination of the Secretary of Finance, and with the advice and consent of the Director of the Office of Diversity, Equity, and Inclusion.
- ***Provide Funding for Inauguration and Transition Offices.*** Includes \$2.7 million GF the second year to fund transition offices and inauguration costs for statewide elected offices associated with the 2021 elections for Governor, Lieutenant Governor and Attorney General.
- ***Provide Funding for Marijuana Prevention and Education Programs.*** Provides \$1.0 million GF the second year for evidence-based marijuana prevention and education programs and public health campaigns. Chapters 551 and 550 of the 2021 Acts of Assembly, Special Session I (HB 2312/SB 1406), legalize the use and possession of marijuana for adults age 21 or older, effective July 1, 2021.
- ***Provide Funding for Removal and Storage of the Harry F. Byrd Statue.*** Adds \$257,000 GF the second year, to be transferred to the Department of General Services, for the removal and storage of the Harry F. Byrd statue from Capitol Square, pursuant to Chapter 197 of the 2021 Acts of Assembly, Special Session I (HB 2208).
- ***Transfer Funding for Virginia Emancipation and Freedom Monument.*** Removes and transfers \$100,000 GF in the first year to the Dr. Martin Luther King, Jr. Memorial Commission in the Legislative Department. The funding is provided to cover the cost of soil sampling associated with the construction of the Virginia Emancipation and Freedom Monument.
- ***Update and Clarify Utility Assistance Language.*** Amends language regarding the use of federal Coronavirus Relief Funds for the utility assistance program to clarify

that such funds may be applied to a customer's account more than once, and updates the timing of the use of funds due to Congress's extension of the date by which funds must be expended to December 30, 2021.

- ***Adjustments for the Distribution of CARES Act Funds.*** Makes adjustments for the total allocation of Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) funds for state agencies and localities. Includes language providing the Governor authority to shift and reclassify unspent funds to other qualifying expenses, if federal guidelines allow, for unspent funds after December 30, 2020, but prior to the required return of such funds. If after such shift and reclassification of funds, any unspent funds shall be transferred to the Unemployment Compensation Fund, and the final disposition of such unspent funds shall be reported to the Chairs of House Appropriations and Senate Finance & Appropriations Committees within 30 days of the completion of the transactions.

Distributions in Item 479.10 Included in Chapter 552
(HB 1800, as Adopted)

<u>As of July 1, 2020</u>	<u>Chapter 56</u> <u>(2020 SS1)</u>	<u>Ch. 552</u> <u>(HB 1800, as</u> <u>Adopted)</u>	<u>Difference</u> <u>Ch. 56 (2020 SSI)</u> <u>to Ch. 552 (HB</u> <u>1800, as Adopted)</u>
Allocations to Localities	\$1,289,146,766	\$644,573,383	(\$644,573,383)
FY20 Agency-Based Requests	80,480,698	80,480,698	0
DGS - Consolidated Labs	6,052,673	6,052,673	0
DHCD - Emergency Housing for Homeless	8,828,998	5,528,998	(3,300,000)
DHCD - Mortgage and Rental Assistance	50,000,000	10,000,000	(40,000,000)
DMAS - Long-Term Care facilities	55,640,872	0	(55,640,872)
DMAS - PPE for Personal Care Attendants	9,256,178	0	(9,256,178)
DSS - Food security - Expand Emergency Food Supply Package	650,000	0	(650,000)
VDACS - Food Security - Agriculture Surplus & Emergency Food	1,211,953	0	(1,211,953)
VDEM - Food Security - 1 Million MREs	2,000,000	0	(2,000,000)
VDEM – PPE	97,000,000	97,000,000	0
VDEM – Testing	42,338,400	42,338,400	0
VDEM – Other	33,722,001	33,722,001	0
VDH - Contract Tracing/UVA Equipment	59,157,614	59,157,614	0
VDH - Replace Deficit Authorization	<u>3,291,300</u>	<u>3,291,300</u>	<u>0</u>
Total (as of July 1 2020)	\$1,808,777,453	\$982,145,067	(\$826,632,386)
<u>Allocations in the First Year</u>			
Allocations to Localities	\$0	\$644,573,383	\$644,573,383
SCC - Direct Utility Assistance to Customers	100,000,000	100,000,000	0
DHCD - Emergency Housing for Homeless	3,000,000	3,270,000	270,000
DOC - PPE, Medical Observation Units, Overtime	7,700,000	6,642,352	(1,057,648)
Elections - Voter Safety for November Election - Cleaning, Personal Protective Equipment, Additional Pay for Election Day Workers, Drop Boxes	10,000,000	0	(10,000,000)
DMAS - Additional Hospital Reimbursements for Eligible COVID-19 Costs	60,000,000	60,000,000	0
DMAS - Hazard Pay for Home Health Workers	72,000,000	103,889,779	31,889,779

Distributions in Item 479.10 Included in Chapter 552

(HB 1800, as Adopted)

<u>As of July 1, 2020</u>	<u>Chapter 56 (2020 SS1)</u>	<u>Ch. 552 (HB 1800, as Adopted)</u>	<u>Difference Ch. 56 (2020 SSI) to Ch. 552 (HB 1800, as Adopted)</u>
DMAS - Retainer Payments for Medicaid DD			
Waiver Day Support Providers	25,000,000	17,467,766	(7,532,234)
DMAS - Long-Term Care Facilities	0	10,343,453	10,353,453
DMAS - PPE for Personal Care Attendants	0	2,470,552	2,470,552
Higher Education - PPE, Virtual Education, Cleaning, Telework, Other COVID Costs	120,000,000	116,261,410	(3,738,590)
State Museums and Higher Education Centers - PPE, Virtual Education, Cleaning , Telework, Other COVID Costs	4,500,000	834,013	(3,665,987)
K-12 - Costs for Re-Opening Schools	220,798,208	220,798,208	0
DSS Food Security - Expand Emergency Food Supply Package	0	650,000	650,000
DSS - Childcare Provider Stabilization Funds	60,000,000	58,341,000	(1,659,000)
VDACS - Food Security - Agriculture Surplus & Emergency Food	0	1,211,953	1,211,953
VDEM - Food Security	0	2,000,000	2,000,000
DSS - Increase Local Capacity to Provide Care for School-Age Children	16,600,000	16,600,000	0
DSS - Virginia Federation of Food Banks - 1.0 Million Per Region	7,000,000	7,000,000	0
Statewide - PPE Plan	42,112,285	42,112,285	0
Statewide - Testing and Contact Tracing	71,829,059	71,829,059	0
Statewide - State Agencies Telework, PPE/Sanitizing, DOLI Regulation Compliance and Other Eligible Operational Cost Increases	60,000,000	10,062,441	(49,937,559)
VDH - Point of Care Antigen Testing	16,010,500	16,010,500	0
DSBSD - Small Business Assistance Grants s Supplement	5,000,000	0	(5,000,000)
DSBSD - Small Business Assistance Grants	70,000,000	70,000,000	0
VDEM - Technical Assistance, Public Education and Preparedness for COVID-19 Pandemic Response	37,000,000	41,769,113	4,769,113

Distributions in Item 479.10 Included in Chapter 552
(HB 1800, as Adopted)

<u>As of July 1, 2020</u>	<u>Chapter 56</u> <u>(2020 SS1)</u>	<u>Ch. 552</u> <u>(HB 1800, as</u> <u>Adopted)</u>	<u>Difference</u> <u>Ch. 56 (2020 SSI)</u> <u>to Ch. 552 (HB</u> <u>1800, as Adopted)</u>
DHCD - Mortgage and Rental Assistance Supplement	12,000,000	12,000,000	0
DHCD - Mortgage and Rental Assistance	0	40,000,000	40,000,000
DHCD - Broadband Accessibility	30,000,000	30,000,000	0
VEC - Unemployment Assistance	210,000,000	210,000,000	0
UVA Medical Center – Capital, PPE, Testing, Education	10,000,000	3,442,283	(6,557,717)
VCU Hospital – Capital, PPE, Testing, Education	10,000,000	11,333,374	1,333,374
VDH - Executive Order Enforcement	\$1,298,038	\$1,298,038	\$0
DBHDS - Hospital Census Support	2,800,000	2,853,215	53,215
Carilion Serology Study	566,309	566,309	0
VDH - Vaccination Program	0	34,234,679	34,234,679
DBHDS - Hazard Pay	0	669,312	669,312
VDH - Additional Testing Needs - One Lab	0	9,929,838	9,929,838
VDH - Agreement with Unite Us	0	10,000,000	10,000,000
VDH - DocuSign Subscription	0	192,250	192,250
VDH - COVID-19 Communications Strategy	0	23,050,000	23,050,000
VDH - Sample Testing Costs, Staffing, Overtime	0	6,632,255	6,632,255
VDH - Virginia Association of Free and Charitable Clinics	0	3,000,000	3,000,000
VDH - Community Mitigation Efforts	0	41,019	41,019
VCCS - Training Vouchers for Unemployed	0	30,000,000	30,000,000
DSBSD - Small Business Assistance Grants – Additional Funds for Rebuild Virginia	0	30,000,000	30,000,000
DVS - COVID-19 Expenses for PPE, Sanitization, Medical Overtime	0	59,719	59,719
SCHEV - Payment to Private Institutions of Higher Education	0	22,000,000	22,000,000
VDH - Reimburse Salaries for "Public Health Employees"	0	7,948,800	7,948,800

Distributions in Item 479.10 Included in Chapter 552
(HB 1800, as Adopted)

<u>As of July 1, 2020</u>	<u>Chapter 56</u> <u>(2020 SS1)</u>	<u>Ch. 552</u> <u>(HB 1800, as</u> <u>Adopted)</u>	<u>Difference</u> <u>Ch. 56 (2020 SSI)</u> <u>to Ch. 552 (HB</u> <u>1800, as Adopted)</u>
DBHDS - Support for State Facilities, Central Office, and CSBs	0	936,292	936,292
DMAS - Expand Definition of Long-Term Care Facilities to Include Medicaid Developmental Waiver (DDW) Residential Providers and Increase Funding	0	12,000,000	12,000,000
ABC - PPE, Sanitization, Safe Operations	<u>0</u>	<u>1,033,119</u>	<u>1,033,119</u>
Total (in the first year)	\$1,215,214,399	\$2,127,357,769	\$912,143,370
Grand Total	\$3,023,991,852	\$3,109,502,836	\$85,510,984

- ***Create the Assistance for COVID-19 Trust Fund.*** Establishes a special non-reverting fund to be called the Assistance for COVID-19 Trust (ACT) Fund, to which any direct federal aid approved by Congress since January 1, 2021 to assist the Commonwealth with the impact of the COVID-19 pandemic shall be deposited. Specifies that no expenditure of funds from the ACT fund shall be made unless specifically appropriated in a general appropriation act.
- ***Direct Appropriation of COVID-19 Relief Funds.*** Includes language directing the Governor to appropriate COVID-19 Relief Funds for specific purposes, including \$36.0 million the first year and \$40.0 million the second year for No Loss Payments as provided in Item 145 (Direct Aid), and \$25.0 million to the Department of Small Business and Supplier Diversity for the purpose of awarding grants to small businesses through the Rebuild Virginia program.
- **Educational and General Programs**
 - ***Clarify Technical Memorandums of Understanding Language.*** Amends technical language regarding the eligibility for “Tech Talent” grants pursuant to the approved Memorandums of Understanding to clarify that designated reviewers

shall propose any needed technical adjustments for consideration during the 2022 Session.

- **Miscellaneous Reversion Clearing Account**

- *Move Reductions to Agency Budgets.* Includes \$562.1 million GF the first year and \$893.7 million GF the second year, which reflects the increase in appropriation resulting from moving approved reductions to agency budgets, net of adopted restorations.