

**Key Features - Senate Bill 800**  
**As Amended by Senate Finance and Appropriations**  
**February 5, 2023**

**Resources**

- General fund resources total \$35.1 billion in FY 2023 and \$29.1 billion in FY 2024.
- Net changes to GF resources total an increase of \$1.0 billion GF over the biennium.
  - An increase of \$1.0 billion GF from removing assumed tax policy actions in the introduced budget forecast.
  - An increase of \$23.1 million GF to reflect conformity to federal tax provisions in FY 2024.
  - A reduction of \$13.0 million to reflect deduction of sports betting bonuses and promotions.
  - A reduction of \$15.0 million to reflect increased historic rehabilitation tax credits.
  - A reduction of \$27.0 million to reflect changes in income apportionment for affiliated corporations with 80 percent of their sales derived from retail activities.
  - A reduction of \$18.0 million to reflect changes in income apportionment for an internet root infrastructure provider.

## **Contingent Commitment of Unobligated Balances**

- Contingent on FY 2023 year-end balances, language designates eight items to be obligated on the balance sheet from unanticipated balances in the following priority order:
  - \$100.0 million for higher education access and affordability;
  - \$80.0 million for child care provider subsidy grants;
  - \$150.0 million deposit to the Housing Trust Fund;
  - \$250.0 million for high-priority I-81 projects;
  - \$15.2 million for 500 additional developmental disability slots;
  - \$50.0 million for state-owned dam improvements;
  - \$250.0 million for VRS unfunded liabilities; and
  - \$100.0 million for Direct Aid School Construction Grants.

## **Commerce and Trade**

- Establishes the Manufactured Home Parks Affordable Housing Pilot with \$3.0 million GF to provide grants for homeowners' associations or non-profits to purchase home parks and maintain their affordability.

- Provides an additional \$5.0 million GF for the Community Development Financial Institutions Fund to provide grants and loans for financing small businesses, housing development and rehabilitation projects, and community revitalization real estate projects.

### **Labor**

- Establishes the Department of Workforce Development and Advancement to consolidate workforce services and improve service delivery.
- Provides \$40.0 million GF as a supplemental deposit to the Unemployment Insurance Trust Fund.

### **Public Education**

- Provides an additional \$588.7 million GF over the biennium to Direct Aid, bringing the total increase to \$1.0 billion GF. Combined with the increases in Chapter 2, 2022-24 appropriation act, this adds an additional \$3.9 billion GF in new investments.
- Includes \$270.6 million GF to fully lift the cap that was placed on support positions beginning in FY 2010.
- Provides \$116.9 million GF to fund the state share of a 7.0 percent salary increase in FY 2024. Combined with the 5.0 percent increase in FY 2023, the state will fund its share of a compounded increase of 12.4 percent over the biennium.

- Includes \$140.4 million GF to fully fund a \$1,000 bonus for SOQ funded teachers and support positions in December 2023.
- Provides \$58.1 million GF to hold every division harmless for the unintentional error in the Direct Aid Calculator Tool.
- Adds \$56.9 million GF to increase the number of specialized support positions, which includes school nurses, school social workers, school psychologists, licensed behavior analysts, licensed assistant behavior analysts, and other licensed health and behavioral positions.
- Includes \$50.0 million GF for school safety and security grants.
- Provides \$38.6 million GF to support more instructional aides in classrooms; \$37.1 million GF to increase funding for the At-Risk Add On; and \$44.5 million GF to fund reading specialists in fourth through eighth grade.
- Includes \$24.3 million GF to fund English Language Learner instructors at 24 per 1,000 students.
- Includes \$40.0 million GF to increase access to early childhood mixed delivery slots across the state.

## **Higher Education**

- Increases investments by \$276.1 million GF for the biennium to support access, affordability, completion, and workforce initiatives. This increases the overall investment in higher education by \$1.13 billion for the biennium when accounting for the increases provided in Chapter 2, 2022 Special Session 1 and the introduced budget.

- Provides \$149.8 million GF in institutional operational funding to meet the growing need for student support services; address increased costs resulting from inflation; refine or create programs that meet current and future workforce needs; and minimize the need to raise tuition and fees.
- Includes \$75.0 million GF in need-based financial aid and \$25.0 million in a Pell initiative to attract and retain low-income students.
- Provides workforce related investments, including: \$25.0 million GF for workforce programs at the community colleges; \$5.8 million GF for nursing programs at public institutions; and \$2.0 million GF for industry-based credentials through the New Economy Workforce Credential grant program.

### **Other Education**

- Provides \$5.0 million GF to the Library of Virginia to provide additional state aid to local public libraries.

### **Health and Human Resources**

- Provides an additional \$423.0 million GF spending over the introduced budget, bringing the total to nearly \$850.0 million new GF for Health and Human Resources.

### **Medicaid**

- Captures an additional \$99.2 million GF in savings based on the enhanced federal match related to the federal public health emergency. The federal match rate will be phased out by the end of calendar year 2023.

- Provides nearly \$369.3 million total funds (\$166.6 million GF) to increase rates for personal care (12 percent), physicians (five percent for primary care, pediatrics, and psychiatric), developmental disability waivers (five percent), behavioral health services (10 percent), and other reimbursement changes for nursing facilities and durable medical equipment, to name a few.

### **Behavioral Health**

- Provides additional support to fund a \$370.4 million (\$316.9 million GF) behavioral health package, more than double the amount of funding proposed in the introduced budget. The Committee's additional funding includes:
  - \$50.0 million GF to expand Permanent Supportive Housing for the seriously mentally ill, doubling the current size of the program.
  - \$50.0 million GF for increasing compensation at Community Services Boards to help with recruitment and retention.
  - \$30.0 million GF to expand crisis services, adding to the \$57.5 million included in the introduced budget.
  - \$54.4 million (\$17.4 million GF) to increase Medicaid community-based behavioral health care rates by 10 percent.
- \$25.0 million for childrens' mental health services, providing an inflationary increase for STEP-VA services and \$7.9 million to expand the Virginia Mental Health Access Program in pediatric offices.

## **Other Health and Human Resources**

- Maintains \$38.5 million GF of the healthcare workforce proposal that expands loan repayment programs for nurses, behavioral healthcare professionals, and other practitioners. Moves some funding to Higher Education to support nurse faculty salaries.
- Provides \$29.0 million GF to increase the Auxiliary Grant rate, which supports low-income Virginians in assisted living facilities, from \$1,609 to \$2,500 per month.

## **Natural Resources, Agriculture, and Forestry**

- Provides initial funding of \$2.0 million GF for the Governor's Blue Catfish Industries Development Fund to encourage harvesting and processing of Blue Catfish in Virginia.
  - Supports development of an emerging market as an invasive species management tool.
- Includes a \$10.0 million GF deposit to the Forest Sustainability Fund for local governments to provide incentives to keep forest land in production.
- Provides for a coordinated, multi-agency approach supported by \$2.4 million GF to responsibly manage invasive species to ensure the long-term viability of Virginia's native natural resources.
- Includes \$12.9 million GF to encourage the adoption of cost-effective agricultural best management practices by farm operators, including stream exclusion systems, nutrient management plans, and forest riparian buffers on lands within the Chesapeake Bay watershed.

## **Public Safety**

- Provides \$30.0 million GF the second year for community violence intervention and prevention initiatives, including:
  - \$20.0 million for the Firearm Violence Intervention and Prevention Fund;
  - \$10.0 million for a new Safer Communities Program for localities disproportionately impacted by firearm violence; and
  - Establishing the Office of Safer Communities at the Department of Criminal Justice Services to support research, best practices, and technical assistance for communities.
- Maintains \$30.0 million for a law enforcement officer recruitment and training initiative.
  - Uses unobligated balances from \$75.0 million NGF ARPA previously provided for law enforcement and training, instead of the general fund.
- Transfers \$10.0 million GF for the Mass Violence Care Fund from the Department of Criminal Justice Services to Central Appropriations and establishes a work group to determine the optimal structure for the Fund.
  - Provides an additional \$3.4 million GF for victims and witnesses.

## **Transportation**

- Includes \$10.0 million GF to complete planning, design, and site acquisition work to develop an inland port in the Mount Rogers Planning District.



- Provides \$7.5 million GF for the York County Cruise Line Tourism Project to support the initial phase of a major cruise line tourism commitment to Yorktown.

## **General Government**

### Employee Compensation

- Maintains \$390.1 million GF and adds \$107.0 million GF the second year to raise the base salary increase from 5.0 percent to 7.0 percent for state employees, including adjunct faculty and graduate teaching assistants at institutions of higher education, and state-supported local employees.
- Maintains \$66.5 million GF the second year to provide classified and other full-time state employees with a one-time bonus of \$1,000, to be distributed on December 1, 2023.
- Maintains \$47.5 million GF and adds \$57.7 million GF the second year in targeted compensation, with a focus on constitutional officers, judicial employees, and community service boards.
  - Includes \$1.0 million GF to increase the substitute judge per diem to \$400, to provide parity with the increase for retired judges in the introduced budget.

## Capital Outlay

- Recommends \$1,039.8 million from all funds for capital projects, including \$696.6 million GF and \$343.2 million from other NGF.
  - Includes planning or pre-planning for six additional higher education institutions.
  - Provides \$20.0 million to support local stormwater projects.
  - Includes \$450.0 million to supplement previously authorized capital construction projects for cost overruns.
  - Provides for improvement, life safety, and deferred maintenance at agencies and institutions of higher education.