

Key Features - Senate Bills 29 and 30 As Amended by Conference Committee (March 12, 2020)

Reserves & Structural Balance

- Structurally balanced budget that prioritizes the people of Virginia – including investments in compensation for teachers, state employees, and state-supported locals.
- \$65.0 million GF for one-time cash in capital for maintenance reserve.
- Brings the combined balances of the Rainy Day Fund and Revenue Cash Reserve to roughly \$2.1 billion by the end of FY 2022.

Compensation

- Provides more than \$410 million GF over the biennium in across-the-board and targeted salary actions for state employees, state-supported local employees, and teachers.
 - **Teachers** – Two percent raise in the first year, and another two percent raise in the second year, for a total of four percent over the biennium, totaling \$290.5 million GF;
 - **State Employees** (includes higher education faculty, classified, and university staff) – Three percent bonus in the first year and a three percent salary increase in the second year, totaling \$194.5 million GF;
 - **State-supported Local Employees** – Two percent bonus in the first year and a three percent raise in the second year, totaling \$49.6 million GF;

- **State Police Troopers** - \$110 per year of service compression adjustment (up to 30 years) and a two percent raise in the first year (effective August 10); and an additional three percent raise in the second year, totaling \$16.1 million GF;
- **Adjunct Faculty** - Three percent bonus in the first year and a three percent increase in base pay in the second year totaling \$4.6 million GF.

Commerce and Trade

- Establishes the Virginia Innovation Partnership Authority, and invests more than \$100 million in general and nongeneral funds to catalyze research commercialization, innovation and entrepreneurship, and to leverage synergies among existing technology-focused initiatives.
- 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.
- Provides an additional \$12.5 million GF for developing business-ready sites and buildings to attract more high-paying jobs and capital investment to the Commonwealth.

K-12 Education

- \$290.5 million GF for a 2 percent salary increase in each year for teachers.
- \$19.5 million GF to increase the cost of competing adjustment for support positions.
- \$84.6 million GF for early childhood expansion, including mixed delivery expansion and VPI enhancements.

- \$46.1 million GF to fund school counselors at a ratio of one counselor to 325 students by FY 2022.
- \$10.6 million GF to make reduced priced school breakfast and lunches free for students.
- \$4.6 million GF for small divisions experiencing student enrollment loss between school years.
- \$185.4 million NGF from Lottery Proceeds for school divisions to meet construction, maintenance, and modernization needs.

Higher Education

- \$79.0 million GF for (i) the G3 “last-dollar-plus” community college workforce initiative for low and middle-income students pursuing applied degrees in high demand areas (skilled trades, health care, law enforcement, and early childhood education), and (ii) additional community college advising.
- \$63.1 million GF for undergraduate need-based financial aid and graduate aid.
- \$17.1 million GF for new last-dollar-plus aid pilot programs at Norfolk State and Virginia State along with other new funding for these universities.
- \$54.8 million GF in FY 21 and \$25.0 million GF in FY 22 for in-state undergraduate Tuition Moderation (freeze) incentive for FY 2021 only. (There will be no freeze in FY 22.)
- \$30.4 million GF for “tech talent” computer science degree production.
- Current students in on-line programs will be grandfathered into the Tuition Assistance Grant (TAG) program for students attending Virginia private colleges at \$3,400 per year. The award amounts for other students will reach \$4,000 by the second year.

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 \$40.1 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 a comprehensive adult dental coverage in Medicaid beginning January 1, 2021.
- Adds \$84.0 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. Removes the cap on overtime and allows workers to be paid for up to 16 hours of overtime each week.
- Includes \$47.0 million GF to increase provider rates for nursing homes, residential psychiatric facilities, skilled and private duty nursing, adult day health care, and others.

Behavioral Health

- Redirects the \$19.7 million in the introduced budget provided for adding 56 beds at Catawba Hospital to community-based services.
 - Provides \$15.0 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 \$47.6 million GF to fund rate increases for developmental disability providers and adds 250 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 575 the second year.
- Redirects funding (\$73 million per year) for a Reinsurance Program in the individual insurance market to other higher priority programs.
- Cash assistance - Increases the TANF cash assistance monthly payment by 15 percent to support low-income families.

Public Safety

- Adopts \$56.6 million GF for inmate health care in the introduced budget, including:
 - \$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 Correctional Center for Women. VCU will provide orthopedic services onsite at the State Farm Complex in Powhatan.
 - \$9.5 million for electronic health records; and
 - \$8.9 million for general medical services.
- Provides \$17.3 million GF to increase support for local police departments.

- Funds \$6.0 million to implement the Community Policing Act (HB 1250), which prohibits and requires tracking of law enforcement activities related to bias-based profiling.
- Provides \$2.5 million for the Emergency Shelter Upgrade Assistance Fund grants to localities to upgrade emergency shelter facilities.

Agriculture, Forestry & Natural Resources

- Provides stable funding to the Water Quality Improvement Fund - Natural Resources Commitment Fund - for livestock stream exclusion totaling \$76.3 million GF over the biennium.
 - Includes a dedicated increase to Soil and Water Conservation Districts of \$4.5 million GF in each year.
- Includes a single-year investment in land conservation at a level not made since 2005, for a total of \$20.0 million GF over the biennium.
- Invests \$15.0 million GF in critical safety improvements to Soil & Water Conservation District owned dams with a one-time deposit in FY 21.
- Phases-in new staffing across Natural Resources agencies as part of multi-year commitment and provides \$16.0 million GF over the biennium.

Transportation

- Allocates approximately \$1.0 billion in new revenues to transportation agencies over the biennium, resulting from the passage of HB 1414 and 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.
- Allocation of \$377 million to Central Virginia Transportation Authority.
- Approximately, \$60 million for Hampton Roads Regional Transit Fund.
- Oversight of Passenger Rail Authority and economic development initiatives in offshore wind to be provided through the MEI Commission.

Capital Outlay

- Reduces the total amount of state–authorized debt as compared to the introduced budget by roughly \$500 million over the 2020-2022 biennium and almost \$28 million in the Caboose bill, instead, phasing in a number of items over future years. The actions provide the following:
 - Over \$900 million in VCBA/VPBA pooled bond proceeds for higher education and state agency projects;
 - \$274 million for maintenance reserve projects for state agencies and institutions (\$65 million from general fund cash);
 - \$108.5 million for equipment for projects coming online;
 - \$15.5 million for projects related to the Tech Talent initiative;
 - \$50.0 million investment in Stormwater program to partner with local government;

- \$50.0 million for Wastewater Treatment Plant improvements across the state to reduce nutrient pollution in the Chesapeake Bay watershed;
- \$25.0 million for Alexandria CSO improvements to reduce the discharge of raw sewage into the Potomac River;
- \$10.0 million for rebuilding oyster reefs; and
- Over \$75.0 million in critical infrastructure needs at Virginia State Parks.