











Overview of SFC Amendments:

SB 29 (Amendments to 2016 -18 Budget)

SB 30 (2018 - 20 Biennial Budget)

February 20, 2018

Presentation Outline

 Overview/ Resources/ Econ. Dev.	Higher Education 	 K-12 & Other Ed.	Retirement 	 Health & Human Res.
 Public Safety & Veterans	Natural Resources/ Ag. & Forestry 	 Transportation	General Gov't. 	 Capital Outlay

Overview/Resources

SFC Budget Priorities

- Maintain a strong cash position.
 - Cash Reserve balance of \$336 million by the end of the next biennium.
- Fully fund the Medicaid forecast.
- Preserve funding for SOQ rebenchmarking.
- Improve community-based services for the mentally ill.
- Provide higher education operating and financial aid funding.
- Make prudent infrastructure investments that best position our Commonwealth for future economic growth.

SB 29: Caboose Bill

- Additional GF resources of \$294.4 million, as introduced.
 - Includes \$134.9 million upward revision to the FY 2018 general fund revenue forecast.
 - SFC actions provide an additional \$6.4 million.
- Net spending increases total \$101.2 million, as introduced.
 - SFC actions reduce spending by \$2.6 million.
- SFC actions, when combined with \$8.4 million unappropriated balance in Ch. 836, provide \$207.9 million available for use in the 2018-20 biennium.

SB 30: Biennial Budget

- Beginning balance of \$207.9 million.
 - Includes \$201.6 million beginning balance, as introduced, plus \$6.4 million in SFC actions.
- SFC actions provide additional GF resources of \$42.1 million.
 - Includes \$26.2 million from continuing limits on Historic Rehabilitation Tax Credit and Land Preservation Tax Credit.
 - Includes \$5.2 million in balance transfers.
- Additional net spending of \$46.1 million, when combined with the \$12.1 million unappropriated balance in the introduced budget, yields a balance of \$14.5 million.

Commerce and Trade – Economic Development

GO Virginia

- Endorses Governor's recommendation to appropriate \$24.5 million GF each year for Virginia Growth and Opportunity Fund.
 - Regional Organization and Capacity Building: \$2.25 million per year.
 - Grants based on each regions' share of state population: \$10.9 million per year.
 - Statewide Competitive Grants: \$11.3 million per year.
- Authorizes the GO Virginia Board to reallocate grant funding to rural regions if demand exceeds grant allocations.
- Authorizes the Board to allocate up to \$637,000 per year from the Fund to support additional administrative costs.
- Reverses \$3.2 million NGF appropriation of unused capacity-building funding from the Fund to increase allocations for per capita grants.
 - Funds were allowed to be committed by the Regional Councils under existing budget language.
- Accepts Governor's proposal to override the requirement that no more than 90 percent of monies in the Fund be awarded or allocated in any fiscal year.

Commerce and Trade

Changes to General Fund Spending	2018 -20 Biennium		
	SB 30	SFC	Total
Economic Development			
Virginia Jobs Investment Program	\$11,339,666	(\$4,500,000)	\$6,839,666
Virginia Economic Development Incentive Grant		<i>Language</i>	
Prioritize Targeting Incentives to Localities in Fiscal Stress		<i>Language</i>	
Virginia-Israel Advisory Board (VEDP to Provide Staff)	\$430,368	(\$150,000)	\$280,368
Small Business Jobs Grant (Increase & Transfer from DSBSD)	\$0	\$325,000	\$325,000
Small Business Investment Grant (Transfer from DSBSD)		<i>Language</i>	
Custom Workforce Recruitment and Training Incentive Program	\$7,530,580	(\$1,100,000)	\$6,430,580
Marketing	\$400,000	\$1,100,000	\$1,500,000
Other Commerce and Trade			
FMA: Operating Support for Fort Monroe	\$11,373,830	\$365,021	\$11,738,851

Commerce and Trade

Changes to General Fund Spending	2018 -20 Biennium		
	SB 30	SFC	Total
Other Commerce and Trade (Cont.)			
DHCD: Virginia Grocery Investment Fund	\$7,500,000	(\$5,000,000)	\$2,500,000
DHCD: Virginia Telecommunication Initiative	\$4,000,000	\$4,000,000	\$8,000,000
DHCD: GO Virginia Administrative Support	\$1,724,000	(\$1,274,000)	\$450,000
DHCD: Building Collab. Communities; Entrepreneurial Economies		<i>Language</i>	
DHCD: Enterprise Zone Program	\$25,628,934	\$1,371,066	\$27,000,000
DMME: Solar/Energy Development Incentives	\$2,240,000	(\$2,240,000)	\$0
DSBSD: Dashboard Upgrades	\$250,000	(\$250,000)	\$0
DSBSD: Small Business Certification Portal (SB 318)	\$0	\$54,000	\$54,000
VTA: Spearhead Trails	\$600,000	\$100,000	\$700,000
VTA: Williamsburg Area Marketing Destination Committee	\$0	\$100,000	\$100,000

Higher Education

Overview of Higher Education

- **SB 30:** Introduced budget plus SFC amendments result in an increase of about \$212.1 million over the biennium (about \$126.7 million over the biennium of these actions are related to technical adjustments that have been reflected in the base budget in other years).
- **Includes \$50.9 million GF over the biennium to support base operations and undergraduate need-based aid.**
 - \$28.1 million GF for base operations (Old Dominion University, George Mason University, Virginia Commonwealth University, James Madison University, Virginia Military Institute, Richard Bland College, and Eastern Virginia Medical School) and
 - \$22.8 million GF for need-based undergraduate student financial aid.
- An additional \$16.0 million for higher education research is available under the Virginia Research Investment Committee (funding could have been reflected as part of the base adjustments).

Higher Education: Summary of Proposed Amendments

GF Actions for the 2018-20 Biennium (\$ in millions)	SB 30	SFC Amend	Total
Undergraduate Need-Based Aid	\$45.5	(\$22.8)	\$22.8
Base Adequacy/Base Operations	35.1	(7.0)	28.1
Technology Infrastructure (UVA-Wise, VSU, & VIMS)	4.3	(0.9)	3.3
UVA-Wise – Enhance Academic Programs	3.8	(3.3)	0.5
Workforce Credential Grant Program	4.0	0.0	4.0
SCHEV Funding (cyber scholarships, transfer grant, VRIC support, VIVA, internships & loan ombudsman)	3.0	1.4	4.3
HE Centers (So.VAHEC, IALR, & RHEA)	1.8	(0.6)	1.2
Tuition Assistance Grant (supplement for teacher career, transfer between years)	1.8	0.0	1.8
NSU – Cyber-Security & Cyber-Psych. Programs and Biofuel Research	1.3	(1.3)	0.0
Other: (UVA Pop./VFH, RBC Pos., VIMS Mon/O&M., CWM Vet./Gov., VCCS Trans/Plan/Train, NCI, Jeff. Lab, VMI)	4.1	2.1	6.1
HE Initiative Spending Total	\$104.5	(\$32.3)	72.3
Technical Actions & Restoration of Restructuring Benefits (CC Rebate & Interest Earnings)	\$139.8	\$0.0	\$139.8

K-12 & Other Education

Overview of SB 29 and SB 30

Direct Aid to Public Education

(\$ in millions, GF)	FY 2018	FY 2019	FY 2020
Total \$			
Base (FY 18, Ch. 836)	\$6,030.0	\$6,030.0	\$6,030.0
Net Change Proposed in Introduced Budget	<u>(57.3)</u>	<u>206.5</u>	<u>309.4</u>
SB 30, As Introduced	\$5,972.7	\$6,236.5	\$6,339.4
% Change, Over Prior Year	(1.0%)	3.4%	1.6%
<u>SFC</u> Technical and NGF-Related Amendments	0.4	(7.6)	(14.1)
Net Other <u>SFC</u> Amendments		<u>(5.3)</u>	<u>(59.9)</u>
Net Change Over Amended FY 18		258.1	306.4

Direct Aid

(GF \$ in millions)	Intro.	SFC Amend.	Total
Re-benchmarking	\$481.0		\$481.0
State's Share of 2% Compensation Increase (December 1, 2019)	51.3	(51.3)	0.0
Expand At-Risk Add-On Range to 14.0%	7.1	Language	7.1
FY 2019 "No Loss" Funding (Compared to SB 29, as Introduced)	11.5	(11.5)	0.0
Extended Enrollment Loss Funding		5.0	5.0
State's Share for Full-Time Principal in Small Elementary Schools	7.7	(7.7)	0.0
Extend FY18 Governor's School Funding Policy (2.5% PP, \$50/course)	2.6		2.6
Positive Behavior Intervention & Support (PBIS) (Base is \$1.1M/yr.)	1.0	(1.0)	0.0
Establish New Fund for Principal Recruitment & Retention	1.0	(0.4)	0.6
New Cyber Security Two-Week Career Exploration/Skills Programs	1.0	(1.0)	0.0

Other Savings in Direct Aid Items

(GF \$ in millions)	Intro.	SFC Amend.	Total
Technical Updates		(4.2)	(4.2)
Adjust Lottery Proceeds Forecast	(80.4)	(17.6)	(97.9)
Remove Local School Board Member Costs from SOQ		(5.0)	(5.0)
Update School Breakfast Reimbursement Incentive Base Year		(4.5)	(4.5)
Continue Phased Elimination of Project Graduation		(2.1)	(2.1)
Praxis Assistance for Provisionally Licensed Teachers	0.1	(0.1)	0.0

Other Spending in Direct Aid

(GF \$ in millions)	Intro.	SFC Amend.	Total
Early Childhood/Virginia Preschool Initiative	0.6	9.7	10.3
Replicate Teacher Residency Models		1.5	1.5
Regional Career & Technical Education Centers		1.4	1.4
Project Discovery (from \$662,000 to \$962,000 per year)	0.2	0.4	0.6
New Career & Technical Education Innovation School		0.5	0.5
Virginia Reading Corps (Literacy Lab)	0.3		*
H.S.Apprenticeship Program (Richmond City)		<0.3	0.3
Early Childhood STEM Teacher Training		<0.3	0.3
STEM Teachers Recruitment Incentives		0.2	0.2
District Choice Assessments Pilot (11 th Grade)		0.1	0.1
<i>*Shifts dollars from second year to first year.</i>			

Actions Related to Early Childhood

- Adds \$4.6 million GF each year to increase the Virginia Preschool Initiative (VPI) per pupil amount from \$6,125 to \$6,500, for research-based curriculum and/or related professional development. Also funds a minimum floor of 9 slots per school division.
 - Clarifies that match requirements for VPI can be met with non-governmental funds; allows limited provisional waiver of teacher B.A. requirements.
 - Adds \$250,000 per year for classroom observations of all VPI classes by the end of FY 2020.
- Maintains new funding \$275,000 per year for the Virginia Kindergarten Readiness Assessment Program, and specifies that the funding in the item is for both a statewide assessment as well as development of a post-kindergarten assessment.
- Updates the charge of the Joint Subcommittee on the Virginia Preschool Initiative Program for 2018, to include the Quality Ratings System, other recommendations in the December 2017 JLARC report, opportunities to leverage improvements in federal Head Start, and mandating a minimum percentage of VPI slots be in private settings.
 - Establishes a workgroup to examine opportunities for developing an integrated early childhood fund.

Department of Education

(GF \$)	Intro.	SFC Amend.
Automate Teacher Licensure Process	\$1,105,000	(75,000)
Align Office of Student Services Funding - to Ensure Federal IDEA Grant Compliance	1,004,335	
eMedia Statewide Digital Content	400,000	*
Va. Kindergarten Readiness (VKRP) – Develop Post-K Test	550,000	Language
Environmental Education	500,000	(500,000)
School Performance Report Card	300,000	
Teacher Misconduct Clearinghouse Subscription	156,168	30,000
Advisory Council for Digital Citizenship, Internet Safety, and Media Literacy	150,000	(150,000)
Va. Preschool Initiative – VDOE Site Visits	100,000	
Computer Adaptive Test Revisions	(1,561,168)	
<i>*Shifts half from second year to first year.</i>		

Department of Education (continued)

- Adds \$300,000 GF each year related to Social Studies.
- Adds \$290,000 GF each year for additional multi-sensory literacy (dyslexia) training for teachers.
- Directs DOE to develop and administer a School Personnel Survey within existing resources.
- Directs DOE to evaluate options for student growth models and report to the Commission on Elementary and Secondary Education.

Legislative

- Provides annual funding of \$300,000 per year for the legislative Commission on Elementary and Secondary Education (Item 30.10).
- Directs the Commission to develop, over two years, a plan related to small school divisions consolidating, jointly operating, contracting or otherwise sharing services.

Other Education

- **Library of Virginia:** \$1.2 million GF over the biennium to replace outdated electronic records systems.
- **Jamestown-Yorktown Commemorations.** SFC Amendment: \$958,490 GF the first year and \$400,665 GF the second year to maximize 2019 Commemorations programming impact.
- **Library of Virginia:** SFC Amendment: \$750,000 GF over the biennium for additional aid to public libraries, for summer reading programs or STEAM materials.
- **Virginia Museum of Fine Arts.** \$433,061 GF over the biennium for renovated Robinson House O&M.
- **Eastern Shore Library Construction:** Provides \$250,000 GF in FY 2019 for construction of a new public library.
- **Virginia Commission for the Arts:** Provides \$250,000 GF in FY 2020 for additional grants to arts organizations.

Retirement

Virginia Retirement System

- Fully funds the VRS Board approved rates.
- Consistent with the introduced budget, saves net \$13.3 million GF over the biennium from changes in retirement plan contribution rates. Also saves \$748,943 GF over the biennium due to changes in Other Post-Employment Benefits (Group Life insurance, Virginia Sickness and Disability Program, Retiree Health Care Credit).

	FY 2018	FY 2019	FY 2020
State Employees	13.49%	13.52%	13.52%
State Police	28.54%	24.88%	24.88%
Va. Law Officers	21.05%	21.61%	21.61%
Judicial	41.97%	34.39%	34.39%
Teachers	16.32%	15.68%	15.68%

Health and Human Resources

Summary of SB 29 (Caboose Bill)

- The SFC adopts the mandatory spending items in the caboose bill.
- SFC amendments:
 - Include savings of \$2.4 million GF by assuming higher tobacco tax collections for the Health Care Fund.
 - Eliminate \$700,000 GF in lower priority spending the agencies can absorb.
 - Eliminate \$611,953 in funding for administrative costs to expand Medicaid.
- The authority for an expansion of Medicaid and imposing a hospital provider assessment is removed.

Overview of HHR in SB 30

(\$ in millions)	FY 2019 GF	FY 2019 NGF	FY 2020 GF	FY 2020 NGF
FY 2018 Base Budget	\$6,437.3	\$8,478.7	\$6,437.3	\$8,478.7
Proposed Increases	373.0	1,587.9	689.2	3,181.6
Proposed Decreases	(209.6)	(285.9)	(301.1)	(376.2)
Net Change	163.4	1,302.0	388.1	2,805.4
SB 30, as Introduced	\$6,600.7	\$9,780.7	\$6,825.4	\$11,284.1
SFC Adopted Increases	161.5	23.5	278.7	25.1
SFC Adopted Decreases	(43.1)	(955.7)	(105.9)	(2,327.6)
SFC Net Change	\$118.4	(\$932.2)	\$172.8	(\$2,302.5)
Net Change %	4.4%	4.4%	8.7%	5.9%

HHR Major Policy & Funding Items in SB 30

- The SFC amendments remove the expansion of Medicaid and the provider assessment on hospitals.
 - Restores the savings of \$421.7 million GF assumed in the introduced budget.
 - The provider assessment in the introduced budget generated \$306.9 million to cover the costs of an expansion of Medicaid.
- Department of Justice Settlement Agreement
 - SFC adopts a net \$31.4 million GF in funding for required waiver slots and other funding needs per the settlement agreement with the U.S. Department of Justice.
- Behavioral Health
 - SFC amendments result in \$54.5 million GF for community-based behavioral health services and \$30.5 million GF for operations of state behavioral health facilities.
- Priority Needs Access Program (SB 915)
 - SFC amendments establish that funding the expanded waiver program for the mentally ill, individuals with addiction, and complex medical cases are a priority for future funding.
 - Other major priority is to eventually fund 2,300 Medicaid waiver slots to eliminate the priority one wait-list.

Community Behavioral Health Spending

(GF \$ in millions)

Funding Item	FY 2019	FY 2020
STEP-VA: Fund same-day access at remaining 22 CSBs (includes Medicaid share)	\$7.5	\$7.5
STEP-VA: Fund primary care screening	-	3.7
Medication Assisted Treatment (20% set-aside for non-addictive medication)	5.0	5.0
Permanent Supportive Housing (200 adults with serious mental illness; - 75 pregnant women with substance use disorder)	2.4	4.7
Discharge Assistance Planning (DAP) funds	1.2	2.3
Alternative Transportation for TDOs (3-Year rollout to statewide)	2.5	4.5
Discharge planning at local jails (two jails with high % of mentally ill)	1.6	1.6
Telemental health pilot program	1.1	1.1
Intercept Two diversion programs (3 localities)	0.7	0.7
CIT training in rural communities	0.7	0.7
Total for Community Behavioral Health	22.7	31.8

Behavioral Health Facilities Spending (GF \$ in millions)

Funding Item	FY 2019	FY 2020
Electronic Health Records at all state facilities	\$5.1	\$5.1
Operating costs of 56-bed expansion at Western State Hospital	-	5.6
Fund 22 temporary beds at Piedmont Geriatrics for VCBR* residents	2.8	2.9
Fund operating costs of first phase 72-bed expansion of VCBR	-	7.8
Fund Hepatitis C treatment costs for VCBR	0.2	0.2
Supervision of monitoring of conditional releases from VCBR	0.3	0.5
Total for Behavioral Health Facilities	8.4	22.1

*VCBR is the Virginia Center for Behavioral Rehabilitation in Burkeville, Virginia

DOJ Settlement Agreement Spending (GF \$ in millions)

Funding Item	FY 2019	FY 2020
Fund 825 waiver slots (70 for discharge, 755 for community)	\$14.5	\$30.5
Expand crisis services	2.4	3.2
State Rental Assistance Program for independent living	1.5	3.1
Fund 50 reserve waiver slots for transitions between waivers	0.9	1.9
Developmental Disability Support Network in Central Virginia	-	1.3
Community Services for non-Medicaid training center discharges	0.2	0.2
Independent Reviewer costs	0.1	0.1
Savings from training center closure	(10.5)	(18.0)
Total for DOJ Settlement Agreement	\$9.1	\$22.3

Other HHR Targeted Spending (GF \$ in millions)

Funding Item	FY 2019	FY 2020
Fund next cohort of graduate medical residency slots in Medicaid	\$0.2	\$1.5
Restore state match for Medicaid supplemental payments to state hospitals	0.5	0.6
Alexandria health department relocation (55% state costs)	-	1.1
Increase Auxiliary Grant rate \$25 per month in FY 2020	-	1.0
Brain Injury Case Management Services	0.5	0.5
Funding to address wait-lists for aging services	0.5	0.5
Increase long-term care ombudsman staffing	0.3	0.3
Long-term employment support services for people with disabilities	0.3	0.3
Review health risks and conduct sample testing of Biosolids (JLARC)	0.1	-
Southwest Virginia Health Wagon	0.1	0.1
<i>Miscellaneous:</i> TANF Transition Services, MOM Dental Project, Family Match Adoption Program, Kinship Care Guardianship, Best Buddies, Youth for Tomorrow	0.5	0.5
Total Other HHR Targeted Spending	\$3.0	\$6.4

Temporary Assistance to Needy Families (TANF)

- The TANF block grant cash balance continues to grow as caseloads continue to decline.
 - FY 2018 estimated cash balance of \$118 million
- SFC amendments include:
 - \$2.0 million each year for community employment and training
 - \$2.0 million each year for Community Action Agencies
 - \$300,000 each year for Child Advocacy Centers
 - \$300,000 over the biennium for FACETS homeless services
- SFC adopts \$5.6 million each year for a two-year pilot for education and access to hormonal Long-Acting Reversible Contraception.

Major HHR Savings (GF \$ in millions)

Savings Item	FY 2019	FY 2020
Savings from suspension of ACA insurance tax	-	(\$42.0)
Limit expenditure growth in CSA services (rates on private day special education)	(3.8)	(10.3)
Eliminate overtime for consumer-directed attendants	-	(9.6)
Eliminate 2% rate increase for consumer-directed attendants	(4.8)	(5.1)
Modify implementation schedule for primary care screening (STEP-VA)	(3.7)	(3.7)
Adjust revenue for the Health Care Fund (tobacco taxes)	(2.3)	(2.3)
Eliminate higher call center contract costs through merger of agency call centers	(3.8)	(1.1)
Modify electronic health records implementation for the Health Dept.	(1.8)	-
Eliminate funding to acquire assisted living facilities to address state hospital capacity	(1.8)	(3.1)
Reduce funding for discharge assistance planning	(1.2)	(2.3)
Total Major Savings for SFC HHR Amendments	(23.2)	(79.5)

Other HHR Savings (GF \$ in millions)

Savings Item	FY 2019	FY 2020
Reverse funding to backfill loss of Disproportionate Share Hospital payments	(0.9)	(1.3)
Reduce funding for State Rental Assistance Program	-	(1.0)
Eliminate funding increase for free clinics	(0.5)	(0.5)
Eliminate increase for managed care external quality review contractor	(0.3)	(0.6)
Reduce funding for Hepatitis C treatment at VA Center for Behavioral Rehabilitation	(0.4)	(0.4)
Eliminate funding for Office of Immigrant Assistance (legislation failed)	(0.5)	(0.3)
Eliminate funding for meningococcal vaccine mandate	-	(0.5)
Remove funding added to reverse prior budget reduction in administrative funding	-	(0.3)
Eliminate funding provided to correct appropriation error	(0.2)	(0.2)
Miscellaneous: waiver evaluation, pharmacy position, Secretary's Office, etc.	(0.3)	(0.5)
Total Other Savings for SFC HHR Amendments	(3.1)	(5.3)

SFC Language Amendments for HHR

- Workgroup to develop outcome measures for CSA-funded private day placements.
- Language per SB 205 to allow CSA funding to pilot a public school-based day program alternative to a private school placement.
- Language is included for a one-year moratorium on building new freestanding emergency departments to determine if Certificate of Public Need should apply.
- Language directs an actuarial review of the Medicaid Managed Care programs.
- Authority and funding to develop a behavioral health transformation plan for Medicaid.
- The Department of Medical Assistance Services is directed to undertake an organizational review and evaluate restructuring of the agency to improve oversight capabilities of managed care.
- Language is included to allow for a private hospital to submit a proposal as part of a public-private partnership to care for the residents at Central Virginia Training Center.
- An interagency workgroup is created to coordinate implementation of a statewide integrated electronic health records system for state agencies.
- Requirements are added for hospitals to fully participate in the Commonwealth Coordinated Care Plus managed care program in order to be eligible for supplemental Medicaid payments.

Public Safety and Homeland Security

Overview of Public Safety: SB 29 & SB 30

SB 29: SFC adopts introduced proposals:

- \$5.1 million additional GF for offender medical costs at Department of Corrections (DOC), overtime for Department of Forensic Science (DFS), and
- Increased net profit transfers from Alcoholic Beverage Control (ABC) to be transferred to the GF.

SB 30: SFC budget adds:

- \$24 million GF and \$3.1 million NGF above introduced amounts for public safety agencies (not including ABC), and
- Includes restoration of \$44.1 million of proposed savings from Medicaid expansion from the introduced budget.

SB 30: Department of Corrections

(GF \$ in millions – Biennial Totals)	Introduced	SFC	SFC + Introduced
Medicaid Expansion	(\$44.1)	\$44.1	\$0.0
Inmate Medical Costs	38.3	(6.0)	32.3
Specialized Mental Health Units	2.9	0.0	2.9
Probation and Parole Officers	2.3	(1.2)	1.2
Residential Opioid Treatment	0.9	0.0	0.9
Medical/MH Staff for Level I Women	0.5	0.0	0.5
Jail Death Investigator	0.2	(0.1)	0.1
DMV Connect	0.0	0.6	0.6
Corrections Special Reserve Fund	<u>0.35</u>	<u>(0.3)</u>	<u>0.05</u>
TOTAL	\$1.3	\$37.2	\$38.5

- Endorses introduced budget proposal for \$3.7 million NGF for inmate medical.
- Includes language to require Medicaid pricing for inpatient, statewide electronic health records, and reporting.

SB 30: Department of State Police (VSP)

(GF \$ in millions – Biennial Totals)	Introduced	SFC	SFC + Introduced
Special Operations Positions	\$2.8	\$0.0	\$2.8
Replacement Helicopters	3.7	(0.8)	2.9
Operating support for COMLINC	0.7	0.0	0.7
Fusion Center Analysts	0.4	(0.4)	0.0
Polygraph Quality Control Analysts	0.3	(0.3)	0.0
Positions for Firearms Background Check Legislation	0.9	(0.9)	0.0
Aircraft Mechanic	<u>0.0</u>	<u>0.2</u>	<u>0.2</u>
TOTAL	\$8.9	(\$2.4)	\$6.4

- Endorses introduced budget proposal for \$4.1 million NGF to enhance Computerized Criminal History System.
- Recommends \$2 million additional NGF for helicopter replacement and background check system upgrade.
- Language related to e-summonses.

SB 30: Alcoholic Beverage Control (ABC)

Operating Budget (NGF \$ in millions – Biennium)	Introduced	SFC	SFC + Introduced
Cost of Goods Sold	\$75.0	\$0.0	\$75.0
Audit System	2.1	0.0	2.1
Point of Sales System	13.3	(3.6)	9.7
Email, SharePoint software	1.2	0.0	1.2
Positions for New/High Volume Stores	8.5	(1.8)	6.7
Convert PT employees to FT	1.5	(0.5)	1.0
Enforcement activities	<u>3.8</u>	<u>(2.1)</u>	<u>1.7</u>
TOTAL	\$105.5	(\$8.0)	\$97.4

Part 3 GF Transfers (NGF \$ in millions – Biennium)	Introduced	SFC	SFC + Introduced
Net Profit Transfers to GF	\$225.3	\$5.9	\$231.2

SB 30: Other Public Safety

(GF \$ in millions – Biennial Totals)		Introduced	SFC	SFC + Introduced
Secretary	COMLINC Assessment	\$1.0	(\$1.0)	\$0.0
DFS	Positions and Equipment, DNA Databank	2.2	0.1	2.3
VDEM	Emergency training, federal grant coordinator position, vehicle replacement	3.1	(3.1)	0.0
DMA	Emergency Coordinator, Emergency Response Specialist, IT Officer, Cyber Security Assessments	0.6	(0.4)	0.2
DCJS	“HB599,” “Drive to Work,” Post-Critical Incident Grants	<u>20.4</u>	<u>(7.0)</u>	<u>13.4</u>
TOTAL		\$27.3	\$(11.6)	\$15.7

- Technical amendment to consolidate base funding in the Office of the Secretary for state match for flood study.

Veterans and Defense Affairs

Overview of Veterans & Defense Affairs

- **SFC** amendments reduce proposed new funding for the Office of Veterans and Defense Affairs by \$0.6 million over the biennium.
- **Veterans Care Centers** – Includes \$14.4 million NGF over the biennium, and 265.00 positions for operations of four Veterans Care Centers, the majority of which is in the second year.
 - Funding for the two new Centers in Virginia Beach and Fauquier County is being provided through a working capital advance.

(GF \$ in millions)	SB 30	SFC
Secretary Office	\$0.3	\$0.0
Benefit Services	\$0.5	\$0.5
New Positions	\$0.3	\$0.0
Cemetery Ops.	\$0.3	\$0.3

Agriculture and Forestry

Overview of Agriculture & Forestry

- **SFC** actions reduce the new biennial GF spending by \$0.2 million
- **Food Safety Programs** – Retains language directing VDACS and VDH to assess the long-term funding and fee structures of the food safety and restaurant inspection programs, including the consolidation of the two programs under one agency.

(GF \$ in millions)	SB 30	SFC
Secretary Office	\$0.2	\$0.0
Wine Promotion	\$0.6	\$0.6
Industrial Hemp	\$0.3	\$0.3
AFID	\$1.0	\$1.0
Nursery Capacity	\$0.2	\$0.0
Reforestation	\$0.0	\$0.2

Natural Resources

Overview of Natural Resources

- SFC actions retain the statutory deposit to the WQIF and provide a dedicated source of funding for WQIF Reserve Fund by increasing transfer of un-refunded boat fuel sales.
 - Increases annual GF transfer to \$10.0 million.
- Includes offsetting reductions to land acquisition programs in order to account for recent settlements.
 - Reductions to the Virginia Outdoors Foundation and the Virginia Land Conservation Foundation total \$10 million, approximately 20 percent of total received by the two foundations.
- Retains all NGF amendments to the Department of Conservation & Recreation, Game & Inland Fisheries, and Historic Resources, in addition to several authorizations in Capital Outlay, that reflect the impact on state agencies resulting from the recent DuPont and Surry-Skiffe's Creek settlement agreements.

(GF \$ in millions)	SB 30	SFC
WQIF	\$22.5	\$22.5
WQIF Reserve	\$0.0	\$5.2
VOF	\$4.0	(\$4.0)
VLCF	\$9.0	(\$6.0)
State Park WiFi	\$0.5	\$0.0
Open 2 new Parks	\$0.0	\$1.9
VMRC	\$0.2	\$2.2

Overview of Natural Resources

- **Water Quality Improvement Fund** – Includes \$22.5 million GF in FY 19 based on the FY 17 revenue surplus and unexpended balances. Funding is distributed to the WQIF Reserve Fund, the Natural Resources Commitment Fund, and the Soil & Water Conservation Districts for the continued implementation of agricultural best management practices, technical assistance, and the Conservation Reserve Enhancement Program.
- **State Park Wi-Fi** – Removes \$536,348 over the biennium to install or expand Wi-Fi connections at 22 state parks.
- **Game Protection Fund** – Reverses the increased transfer of watercraft sales tax revenues from the General Fund to the Department of Game & Inland Fisheries by \$1.6 million in the current year (SB 29) and continues to provide \$33.7 million in transfers over the biennium (SB 30) to the Game Protection Fund, representing the revenues assumed to be generated from the sale of watercraft as well as hunting and fishing supplies.

Natural Resources Capital Outlay

(GF \$ in millions)	SB 30	SFC	Difference
Alexandria CSO	\$20.0	\$0.0	(\$20.0)
Stormwater Local Asst.	\$0.0	\$20.0	20.0
DGIF	19.4	19.4	0.0
Natural Area Preserves	3.6	3.6	0.0
York River State Park	1.5	1.5	0.0
Park Infrastructure	4.0	0.0	(4.0)
CCC Cabins	7.5	7.5	0.0
Total	\$56.0	\$52.0	(\$4.0)

Transportation

Department of Motor Vehicles

- **REAL ID Compliance** – Reduces the proposed line of credit, beginning in FY 18, to \$10.5 million to cover the assumed costs and increased workloads associated with federal compliance.
 - Reduces proposed new staff by one-third to 57.0 FTE at statewide DMV.
 - Authorizes a one-time \$10 surcharge on customers choosing to purchase compliant credentials.
- **Fuels Tax System Replacement** – Includes \$7.1 million NGF to be retained by DMV for the replacement of the automated system used to collect fees, taxes and commercial vehicle registrations.
 - Fuels Tax language allowing sharing of information with regional Authorities.
- Other actions generate approximately \$1.1 million per year for DMV.
 - Imposes a \$6 processing fee on vital records generating \$0.8 million NGF.
 - Provides \$0.6 million to DOC for reimbursement of credential costs.

Mass Transit Programs

- Removes language within the Department of Rail & Public Transportation to authorize the issuance of \$110.0 million in transit capital.
- Removes proposed authorization of additional regional taxes.
- SB 856, as passed by the Senate, addresses long term funding and reforms for WMATA.

Department of Transportation

- Corrects an erroneous interpretation of statutory payments to Arlington and Henrico counties.
- Directs a review of costs and financing approaches for special and unique structures.
- Requires any toll proceeds or concession payments from actively managed lanes in Hampton Roads be used to reduce Hampton Roads Transportation Accountability Commission contributions to Hampton Roads Bridge Tunnel.

Virginia Port Authority

- **Hampton Roads Harbor Improvements** – Authorizes use of \$20.0 million in CTF revenues freed-up from a cash for debt swap from existing highway projects to advance the planning and preliminary engineering for widening and dredging the Norfolk Harbor Channel to 55' and the Southern Branch of the Elizabeth River to 45'.
- **Economic Development Zone Grant Program** – Allows up to \$2.0 million in each year to provide grants to qualified companies that expand shipments through the Port from the Commonwealth Development Opportunity Fund.
- **Additional Positions** – Removes a proposed additional 21.00 FTE for Port operations.

Port of Virginia Capital Projects

(GF \$ in millions)	FY 19	FY 20	Total
APM Terminal Equipment	\$37.0	\$30.0	\$67.0
Cargo Handling	13.0	11.0	24.0
Portsmouth Yard Expansion	13.0	11.0	24.0
VIG Terminal Capital Lease	4.0	8.0	12.0
Maintenance Reserve	3.0	3.0	6.0
Total	\$70.0	\$63.0	\$133.0

Transportation Capital Projects

(GF \$ in millions)	Intro	SFC	Difference
Transit Capital (DRPT)	\$110.0	\$0.0	(\$110.0)
Cash for Debt Swap (VDOT)	20.0	20.0	0.0
Statewide Facilities (VDOT)	25.0	25.0	0.0
Maintenance Reserve (VDOT)	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>
<i>Subtotal – Surface Transportation</i>	\$160.0	\$50.0	(\$110.0)
Port of Virginia Capital	<u>133.0</u>	<u>133.0</u>	<u>0.0</u>
Total	\$293.0	\$183.0	(\$110.0)

General Government

General Government

Technology

- Eliminates funding for the Secretary of Technology of \$0.6 million and 5.0 FTE and redirects a portion of the funding -- \$0.2 million and 1.0 FTE to establish the Chief Data Officer within the Secretariat of Administration.
 - Intent of General Assembly is to reassign the Innovation and Entrepreneurship Investment Authority to the Secretary of Commerce and Trade and the Virginia Information Technologies Agency to the Secretary of Administration.
- Includes \$2.25 million GF in the current year (SB 29) for repayment of a Working Capital Advance for the Virginia Enterprise Applications Program.
- Adjusts NGF appropriations to the Virginia Information Technologies Agency by approximately \$22 million in each year to reflect anticipated changes in vendor pass-through payments for IT service rates and usage.
- Recommends \$1.5 million NGF over the biennium and 4.00 FTE for increased utilization of the Shared Security Center at VITA.
- **IT Disentanglement** – Two actions are included to provide requisite funding for the transition to the new IT services provisioning environment.
 - Approximately \$5.4 million NGF over the biennium for direct expenses including consulting and legal services.
 - An increase of \$20 million in the VITA line of credit, to a total of \$95 million to address anticipated disentanglement costs from the current vendor.

General Government – Judicial, Executive, Administration

(GF, \$ in millions)	SB 30	SFC	
	Biennium	Biennium	Total
Funding for Additional Mental Health Dockets	\$ 1.0	\$ (0.5)	\$ 0.5
Funding for Expansion of Drug Courts	\$ 0.8	\$ (0.6)	\$ 0.2
Funding for Criminal Waivers	\$ -	\$ 1.1	\$ 1.1
Circuit Courts IT Systems Changes (SB 1044, 2017)	\$ -	\$ 0.2	\$ 0.2
Reduce Funding for Consumer Protection Section (OAG)	\$ 0.8	\$ (0.8)	\$ -
Reduce Revolving Trust Fund (OAG) (Language, NGF)	\$ -	\$ -	\$ -
Debt Collection Appropriation/Carryforward (Language, NGF)	\$ -	\$ -	\$ -
Establish Chief Data Officer Position (in Sec. of Administration)	\$ -	\$ 0.4	\$ 0.4
HAVA Funding Backfill (12.0 FTEs)	\$ 10.4	\$ (3.3)	\$ 7.1
Call Center	\$ 0.2	\$ (0.2)	\$ -
Funding for SAVIN System	\$ -	\$ 0.4	\$ 0.4
Insurance Fraud Multi-jurisdictional ACAs (Language, NGF)	\$ -	\$ -	\$ -
Body Cameras and Commonwealth's Atty. Positions (Language)	\$ -	\$ -	\$ -
Site Assessment Phase II - CVTC	\$ -	\$ 0.6	\$ 0.6
Shared Savings Incentive Program (State Health Plans, Language)	\$ -	\$ -	\$ -
Total	\$ 13.2	\$ (2.9)	\$ 10.3

General Government – Finance, Compensation, Central Appropriations

(GF, in \$ millions)	SB 30	SFC	
	Biennium	Biennium	Total
Revenue Cash Reserve (phase in)	\$ 270.7	\$ (90.7)	\$ 180.0
Additional Funding in Secretary's Office	0.4	(0.4)	\$ -
Move TAX file image to cloud based solution	0.6	(0.6)	\$ -
Identity and Access Management Program (2.0 FTEs)	1.1	(0.5)	\$ 0.7
Accelerated Sales Tax Workgroup (language)	-	-	\$ -
Accounting and Trust Services Unit	0.2	(0.2)	\$ -
Relief for Robert Paul Davis	0.6	(0.6)	\$ -
Norfolk Four Claims	-	1.8	\$ 1.8
Henry County Jail (state share, bonds)	-	-	\$ -
Management Fellows Program (language)	0.7	-	\$ 0.7
Two Percent Raise for State Employees	49.4	(49.4)	\$ -
Compensation Language (Reserve)	-	-	\$ -
VITA Study - Personnel Mgmt. Info System (language)	-	-	\$ -
529 College Savings Plan Disbursement System (SB 656)	-	0.2	\$ 0.2
Part 4 - Tobacco harm reduction, taxation study (language)	-	-	\$ -
Total	\$ 323.7	\$ (140.3)	\$ 183.4

Capital Outlay

Capital Outlay Funding – SB 29 & SB 30

Fund Type (\$ in millions)	SB 29 Amend.	SB 30	SB 30 Amend.	SB 30 Total
General Fund Cash	\$0	\$15.0	(\$5.0)	\$10.0
VPBA/VCBA Bonds	0	\$453.7	244.2	697.9
9(c) Revenue Bonds	0	\$21.0	0	21.0
9(d) Revenue Bonds	1.1	\$260.7	1.5	262.2
Nongeneral Fund Cash	<u>10.0</u>	<u>\$223.6</u>	<u>13.8</u>	<u>237.4</u>
Total	\$11.1	\$974.0	\$254.5	\$1,228.5

- \$252.0 million in VPBA/VCBA bonds over the biennium for Central Maintenance Reserve.
- \$58.2 million the first year in VPBA/VCBA bonds for furnishings and equipment for capital projects nearing completion.
- \$282.4 million in tax-supported debt for the replacement, renovation, or construction of nine projects (within this amount is \$20.0 million for the Stormwater Local Assistance Fund).
- \$45.4 million the first year in VCBA/VPBA bonds to supplement existing capital outlay pools.
- \$33.8 million in VPBA/VCBA bonds over the biennium for six stand-alone agency projects.
- \$20.0 million in VPBA bonds to construct/renovate VDOT facilities (related to planning cash swap for dredging in Hampton Roads).
- \$10.0 million GF over the biennium for the planning of three additional projects.

2018 Session Capital Construction Pool

Agency	Project Title
Department of General Services	Seat of Government, Swing Space, and Repairs ABC Warehouse and Administrative Offices DJJ Construct New Facility at Bon Air
Virginia Museum of Fine Arts	Replace Roof and Drains on Pauley Center Replace Air Handling Units
Department for the Blind and Vision Impaired	Renovate Departmental Headquarters Building
Department of Corrections	Replace Hot Water and Heating Mechanical Systems – Sussex I & II and Red Onion Renovate Buckingham Wastewater Treatment Plant
Southwest Virginia Higher Education Center	Replace HVAC System
Department of Environmental Quality	Stormwater Local Assistance Fund (\$20.0 M)
Total (Bonds)	\$282,379,904

Stand-Alone Agency Projects Supported with Bonds

Institution/Agency	Project Title	FY 2019
Dept. of Behav. Health & Dev. Serv.	Address Patient & Staff Safety Issues at State Facilities	\$9,400,000
Jamestown-Yorktown Foundation	Jamestown Ships Visitor Experience	\$1,339,701
Dept. of General Services	Monroe Building Critical Systems Replacements	\$13,600,000
Dept. of Military Affairs	Improve Readiness Centers	\$3,000,000
	VA National Guard Aviation Support Facility	\$4,500,000
Dept. of Transportation	Acquire, Design, & Renovate Facilities Statewide	\$20,000,000
School for the Deaf and Blind	Make System Infrastructure Repairs & Improvements	\$2,000,000
Total (Bonds)		\$53,839,701